# FINANCIAL TIMES

No. 27,581 Saturday June 10 1978 *15p



CONTINENTAL SELLING PRICES: AUSTRIA Sch.15; BELGIUM Fr.25; DENMARK Kr.3.5; FRANCE Fr.3.0; GERMANY DM2.0; ITALY L.500; NETHERLANDS Fl.2.0; NORWAY Kr.3.5; PORTUGAL Esc.20; SPAIN Ptas.40; SWEDEN Kr.3.25; SWITZERLAND Fr.2.0; EIRE 15p

## NEWS SUMMARY

### GENERAL

## Israelis storm guerrilla base

Israel yesterday staged a devastating raid on a Palestinian base on the South Lebanon coast. The 150-strong force stormed into the Dahr Al-Borj camp from rubber boats and helicopters, destroying boats, rocket launchers and buildings.

There were conflicting reports on the number of casualties after the two-hour battle. Israel claimed that at least seven Palestinians and two Israelis died in the attack on the base, which it believed was to be used for an assault on Israeli civilian targets.

The Palestinians said that eight Israelis, five guerrillas and nine Lebanese civilians died in the raid. Back Page

### Police storm jail

Police found a young prisoner stabbed to death and several others seriously hurt when they stormed Madrid's maximum security jail to restore order, after riots by prisoners protesting against conditions.

### Damages award

An Australian couple, badly injured when a wheel dropped off a new Allegro car in England, are to get substantial damages. But a High Court judge in Newcastle has yet to decide whether maker British Leyland pays—or the sale and services garages.

### Civilians held

Security forces have detained about 200 civilians in a round-up of suspected rebel sympathisers in Zaire's Shaba province, according to reports from Kinshasa.

### Flats fire

A holidaying English fireman claimed that firemen fighting the Tenerife apartments blaze in which a 57-year-old English woman died were "disorganised" and reluctant to take risks. A Spanish couple also died in the fire.

### Wife plea fails

Mr. Rodney Farr failed in a new High Court bid to get his dying wife, a multiple sclerosis victim, released from hospital. He argues that no evidence supports Kent County Council's claim that she is mentally ill.

### School bus crash

Eleven children from a Beverley, Yorkshire school were taken to Nottingham General Hospital after their mini-bus overturned and careered down an M1 embankment. None were seriously hurt.

### Public holiday

A petition demanding a new annual public holiday on the Tuesday after Spring Bank Holiday—to be called United Kingdom Day—was presented to MPs by Tory MP Mr. John Biggs-Davison, leading opponent of the new May Day break.

### Will a forgery

A Las Vegas jury has decided that a will purportedly made by the late billionaire Howard Hughes, naming a Utah service station attendant as an heir, was a forgery.

### Briefly . . .

Two men charged with conspiracy to rob the Daily Mirror will appear at Guildhall to-day.

Thieves stole five priceless statues from the ancient city of Pompeii, near Naples.

Man was jailed for life in Belfast for murdering a man in retaliation for a public house bombing in which two died.

Thirteen people were taken to hospital when fire broke out at Grove Hostel, Leeds.

Two U.S. senators face an intense Senate probe into alleged improprieties in their financial dealings, according to Senator Adlai Stevenson.

Another rider was killed on the Isle of Man TT course — the fourth this week.

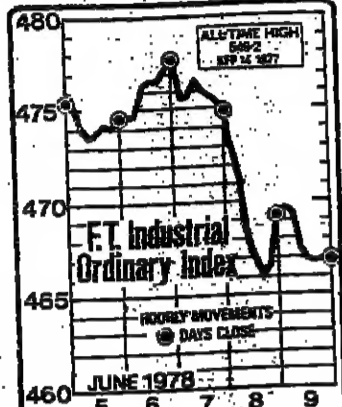
Morman church agreed to allow black men to be priests, but women are still barred.

### BUSINESS

## Sterling gains: equities drift

● GILTS showed fresh strength in continuing response to the latest monetary measures, with longs and shorts showing rises of up to 1. Government Securities Index put on 0.58 to 70.26—a rise of 0.90 on the week.

● EQUITIES drifted, overshadowed by renewed strength in Gilts. FT 30-Share Index closed 2.44 down at 466.9 — 8.6




down on the week. Gold Mines Index was 3.1 down at 157.9.

● Gold fell $1 to $181¼. New York Comex June settlement rate was $181.50 ($182).

● STERLING gained 18 points to $1.8268. Trade-weighted index was 61.3 (61.2). Dollar's depreciation was unchanged at 5.5 per cent.

● WALL STREET closed off 2.86 at 859.23.

● EUROPEAN steel producers approved in principle an EEC Commission proposal for voluntary cuts in crude steel output to 29m tonnes during this year's third quarter. Back Page

● SPENDING from the Consolidated Fund—the main component of Government expenditure—rose 18 per cent in April and May, roughly in line with Government forecasts. Page 4

● PRINCE CHARLES opened a £100m development at Gatwick Airport after inaugurating a helicopter service linking the airport and Heathrow.

● HOSPITAL electricians involved in a pay clash with the Government have begun a countrywide series of union meetings to decide which hospitals will be the chief targets for industrial action. Page 4

● FIREMEN'S employers conceded that the existing two-shift system within the fire service could remain, thus giving impetus to talks on bringing in a 42-hour week for firemen. Page 4

● IRREGULARITIES have been revealed in Burmah Oil's tanker company transactions before 1975, and Mr. Elias Kulukundis has agreed to repay £110,000, Burmah chairman said. Mr. Kulukundis denies direct responsibility. Back Page

● ICI is believed to be considering postponing an £80m vinyl chloride monomer plant at Wilton, Teesside. Back Page

### COMPANIES

● FAIRVIEW ESTATES CO. is offering a £3.8m rights issue of £13.85 per cent first mortgage debenture stock 2000/2003 at par. Shareholders are offered £1 stock for every three ordinary. Tyneside Metropolitan Borough is issuing £7m 12¼ per cent stock 1986 at £99 per cent. Page 16

● THOMAS W. WARD made £4.69m (£3.29m) pre-tax profit in the half-year to March 31 on turnover of £119.53m (£123.96m). Page 16

● FRANCIS PARKER pre-tax profit was £34,000 for the nine months to December 1977, against a £1.41m loss in the previous 12 months. Turnover was £15.4m (£23.6m). Page 16

## CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

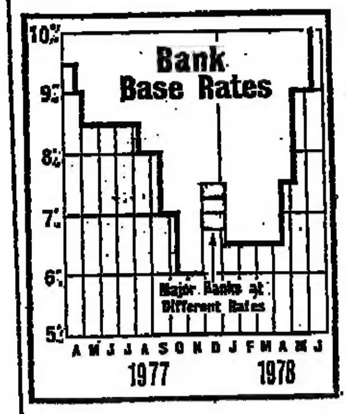
**RISES**

| | | |
|---|---|---|
| Treasury 8¼pc '82 | £91¼ | + 5/8 |
| Treasury 14½pc '94 | £115¼ | + 1 |
| Treasury 12¾pc '95 | £101⅛ | + 1¼ |
| Excheq. 12pc '98 | £95⅞ | + 1 |
| War Loan 3½pc | £30½ | + ⅞ |
| Airflow Streamlines | 105 | + 17 |
| Albright and Wilson | 150 | + 4 |
| Allen Harvey and Ros | 315 | + 15 |
| Assd. Book Phlshrs. | 240 | + 5 |
| Brown (John) | 366 | + 4 |
| Cater Ryder | 303 | + 13 |
| Invest. Trust Corp. | 253 | + 6 |
| Johnson-Richards | 92 | + 4 |
| Lyons (J.) | 104 | + 5 |
| New Equipment | 15 | + 3 |
| Pennine Motor | 11 | + 3 |
| Saatchi and Saatchi | 165 | + 8 |
| Securicor | 128 | + 5 |
| 600 Group | 83¼ | + 3¼ |
| Tesco | 43 | + 3 |
| Union Discount | 310 | + 10 |
| Ward (T. W.) | 76 | + 5 |
| Wood and Sons | 50 | + 10 |
| Woodward (H.) | 52 | + 8 |
| Attock Oil | 92 | + 8 |
| Tricentrol | 182 | + 8 |
| Western Mining | 148 | + 7 |

**FALLS**

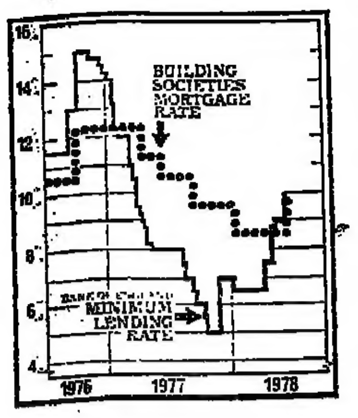
| | | |
|---|---|---|
| Bishop's Stores | 155 | − 25 |
| Kitchen (Rbt.) Taylor | 76 | − 4 |
| NatWest | 265 | − 5 |
| Ocean Wilsons | 95 | − 6 |
| Pye Holdings | 98 | − 6 |
| Smart (J.) | 40 | − 4 |
| Tilbury Contracting | 278 | − 6 |
| UKO International | 148 | − 4 |
| Burmah Oil | 66 | − 4 |
| Bishopsgate Platinum | 82 | − 4 |
| Randfontein | £34½ | − 1 |
| Venterspost | 225 | − 20 |

## Welcome in the City for Government's package




**MONTHLY MORTGAGE REPAYMENTS**

| LOAN | 8.5% £ | 9.75% £ |
|---|---|---|
| £5,000 | 40.75 | 45.05 |
| £8,500 | 69.28 | 76.59 |
| £10,000 | 81.50 | 90.10 |
| £12,500 | 101.88 | 112.63 |
| £15,000 | 122.25 | 135.15 |




# Bank base rates up as gilts boom

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

BANKS and building societies increased their interest rates yesterday in response to the Government's credit squeeze. The reception to the monetary and fiscal package continued to be favourable in the gilt-edged market and there were heavy sales of stock.

Brokers estimated that more than £1bn of gilt-edged stock had been sold since the announcement of the measures on Thursday lunchtime. This is a major step towards fulfilling the Government's aim of bringing the growth of the money supply back within the target range.

The existing £800m long tap stock was exhausted yesterday morning and in the afternoon the Bank of England announced the issue of a new £1bn 12 per cent stock 2013-17. The £800m short tap is expected to run out early next week.

Building societies increased mortgage rates by 1¼ points to 9¾ per cent and the clearing banks, led by National Westminster, lifted base lending rates by a point to 10 per cent.

This follows the one-point rise in Minimum Lending Rate to 10 per cent announced by the Bank of England on Thursday. A top-quality industrial borrower now will have to pay at least 11 per cent for an overdraft. A personal customer will faces rates of up to about 15 per cent and find loans scarcer than before.

The clearers took a differing line on the rates they pay on

Editorial Comment and Price of the Budget errors, Page 14
Lex, Back Page

seven-day deposits. NatWest and Lloyds increased the rate on deposits by only half a point to 6½ per cent. Barclays and the Midland raised their rates by a full point to 7 per cent.

The decision by NatWest and Lloyds runs against the normal pattern since the banks in the past have tended to widen margins to maintain profitability when interest rates are falling rather than when they are rising.

The latest move reflects partly a concern about profitability in anticipation of a sizeable increase in wage costs this year and given the likely smaller scope for raising lending.

Moreover, the reimposition of the so-called corset controls on the growth on the banks' interest-bearing deposits in order to curb lending is also likely to have been an influence. The banks are not too keen to attract interest-bearing deposits since they are all above the limits set out by the Bank of England on Thursday.

Most of the clearers in the next week or two are likely to reaffirm guidance to branch managers about restraining lending to the personal sector and property companies.

The banks will have to reduce their interest-bearing eligible liabilities by about £1bn by the end of the summer if they are to escape penalties under the corset arrangements.

Even if some allowance is made for additional current account deposits, this fact, coupled with the heavy sales of gilt-edged stock in the last two days, suggests that there will be not much growth in sterling M3,

Continued on Back Page

# Home loans at 9¾%—but not all societies happy

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

BUILDING Society leaders had a last-minute change of heart yesterday and toned down proposed interest rate increases.

The mortgage rate is to rise by 1¼ per cent to 9¾ per cent and the net rate paid to ordinary investors will rise from 5½ per cent to 6.7 per cent. To savers paying the basic rate of income tax, the new rate is equivalent to 10 per cent gross.

The Council of the Building Societies Association met yesterday in London to debate the previous day's policy committee recommendation that the cost of home loans should rise by 1½ per cent and that investors' rates should increase by 1¼ per cent.

The recommendation had been made immediately after the announcement of Thursday's economic package, which included a 1 per cent rise in Minimum Lending Rate. But, after further overnight consideration, the societies decided to modify original proposals which many believed represented a slight over-reaction to the latest reviews.

Yesterday's debate was lengthy and not all the societies were happy with the outcome, believing that the higher rate structure was the better option and emphasising that operating margins now will be narrower than would have been the case under the original proposal.

The increase in the mortgage rate is the first since October 1976. The cost of new home loans will rise immediately and charges to existing borrowers will be adjusted in the next month or two.

Mr. Ralph Stow, chairman of the association, said he hoped the new rate structure would last for some time to come. The mortgage rate rise might originally have been confined to 1 per cent but for Thursday's increase in MLR.

The higher building society interest rates are designed to halt the falling levels of net receipts experienced in recent months. Provisional figures released yesterday suggested receipts in May were only £211m against £335m in April and £590m last October.

Receipts this month could be down to £150m and the association said yesterday that severe mortgage rationing would have arisen without an increase in investment rates.

It was confirmed yesterday that the restrictions on building society lending, imposed in April when Government concern over rising house prices was at its peak, will be phased out.

The societies and the Government agree that house prices are rising less quickly and that a gradual restoration of higher lending levels can be undertaken. The current monthly lending figure of about £610m should rise to £640m during the third quarter.

# Shoe shop price curb urged

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

THE Price Commission yesterday recommended a cut in shoe retailers' gross margins. This would mean prices would rise more slowly this autumn than would otherwise be the case.

The commission, which has made an eight-month inquiry of all aspects of footwear distribution, did not specify a time limit. If the Government accepts the commission's proposals it will have to decide how long they should apply.

The commission found that shoe chains, such as those run by British Shoe Corporation, had very high gross margins. The average gross margin for multiple shoe chains last year was 46.9 per cent.

It concluded that British Shoe—a subsidiary of Sears Holdings which accounts for 20 per cent of the market—was not exploiting its competitive strength as much as it could.

This was allowing less efficient retailers to benefit from very high margins. It said British Shoe should be encouraged to adopt a more aggressive marketing policy. The threat of a reference to the Monopolies Commission should be removed.

The commission proposed that from October no retail chain with ten or more branches should be allowed to make a higher gross profit margin than it did in 1977.

Those companies which increased their margins between 1975 and 1977 — and according to the commission's figures the average shoe chain did — would have to make further cuts. In this situation, gross margins would either be restricted to the 1975 level or, if margins had increased by more than 2 per cent, be cut by 2 per cent.

British Shoe would have to cut its gross margins by 1.2 per cent to 46 per cent. The company said yesterday this would not affect its net profits as turnover would increase next year.

Other shoe retailers were still considering the report yesterday but if British Shoe cut its margins others would have to follow

News Analysis, Page 4

## CONTENTS OF TO-DAY'S ISSUE



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# Liberals may back Tory censure

By Rupert Cornwell, Lobby Staff

THE LIBERALS are actively considering voting with the Conservatives on Wednesday's Opposition censure motion to cut Mr. Denis Healey's salary, as a gesture of anger at this week's emergency financial package.

The final attitude of the party's 13 MPs will be settled only early next week, after a meeting between Mr. Alan Beith, Liberal Chief Whip, and Mr. Michael Cox, his Government opposite number. Their vote will in part depend on whether the issue is treated as one of confidence.

Should the Liberals side with the Tories, Mr. Healey's salary—if not his future as Chancellor—will depend on the various nationalist parties, who will also make up their minds shortly before the debate.

Whether or not the Government makes the issue one of confidence has become part of the long-running battle of nerves between the Government and the Liberals over Budget strategy. This led last month to defeats on the Finance Bill which cost the Exchequer over £500m.

There is no disguising the fury of Mr. David Steel, the Liberal leader, and his colleagues over what they see as Mr. Healey's arrogant conduct, culminating in his abrupt conversion to higher national insurance contributions.

Mr. John Pardoe, Liberal economics spokesman, whose poor personal relations with Mr. Healey are no secret, last night claimed that, had the Chancellor been prepared to work with the Liberals on tax reform, last Thursday's package would have been unnecessary.

Meanwhile senior Cabinet Ministers were vigorously defending the monetary measures taken by the Chancellor and pinning the blame for them squarely on the Conservatives and their decision to force additional tax cuts into the Finance Bill.

● Sir Geoffrey Howe, shadow Chancellor, told Welsh Conservatives a future Tory Government would substantially reduce the burden of personal income taxes at all levels.

**$ in New York**

| — | June 9 | Previous |
|---|---|---|
| Spot | $1.8250-8290 | $1.-240-8250 |
| 1 month | 0.75-0.65 dis | 0.70-0.60 dis |
| 3 months | 1.66-1.50 dis | 1.9-1.85 dis |
| 12 months | 6.20-6.10 dis | 6.60 6.50 dis |

# Standard pays $372m for Union Bank

BY NICHOLAS COLCHESTER

STANDARD CHARTERED, the large British multi-national bank, has arranged to buy Union Bancorp, the sixth largest bank in California, for $372m in the British banking sector's most costly venture into North America so far.

It eclipses a $300m deal announced last month by National Westminster Bank for the National Bank of North America.

Lord Barber, chairman of Standard Chartered, called the decision "the most important development since the Standard Bank and the Chartered Bank joined forces just over eight years ago." It will raise the proportion of the bank's business in North America from five to around 25 per cent.

The two managements have provisionally agreed that Standard will pay $33 in cash for each Union share. This compares with the price on the New York Stock Exchange before the announcement of $14¾, and is equivalent to 20 times Union's earnings in 1977. Last night Union shares in New York closed at $26.

The transaction still depends on the attitude of the U.S. regulatory authorities and on the final decision of both boards. The latter involves complete examination of litigation involving the U.S. bank, which caused its last accounts to be qualified.

Standard has been homing in on California for more than a decade. The Chartered Bank founded a bank there in 1964, called the Chartered Bank of London, with five branches. This has since expanded to 32 through two acquisitions — the Liberty National Bank and the Commercial and Farmers National Bank. Standard also made a spectacular but abortive attempt to buy Bank of California for $130m just over a year ago.

Union Bank, with assets of $4.7bn, was the last remaining bank in California of substantial but affordable size. The next largest, Crocker National, has a balance-sheet total of some $12bn. If SCBs purchase goes through it will merge its existing California operation with $478m in assets, into Union Bank, making Union the 30th largest bank in the U.S.

Union is much more a commercial than a retail bank. It has only 25 branches — predominantly in the Los Angeles area — whereas the National Bank of North America, acquired by NatWest has 141 branches with only four-fifths of Union's assets.

Standard has assets of $13bn and 1,500 branches across the world. The Union Bank has had a poor profit record of late reflecting in part the provisions it was forced to make for losses in the real estate and construction business. Both sides are looking for improved earnings this year. Standard is eager to fund its dollar lending with Union Bank's dollar deposits and notes that Union's advances currently account for only 53 per cent of its deposits.

Standard's share price moved up by 5p on the news to close last night at 410p.

British banks in the U.S. Page 19
Lex Back Page

# Lloyds charges rise

BY DAVID FREUD

LLOYDS BANK yesterday became the first of the clearing banks to announce higher charges for customers. The increase is less than two months after publication of a Price Commission report which said that the charges by the banks for handling cash and cheques were "not excessive."

National Westminster is likely to follow Lloyds' lead next week, though Barclays and Midland are not expected to make increases before the New Year.

Lloyds notified the Price Commission of the changes a month ago. They come into operation immediately. One effect will be to reduce the proportion of the banks' 3.4m customers who bank free from 70 to 60 per cent.

Charge for cheques, standing orders and direct debit payments will rise from 9p to 12½p an item, though the charge for Cashpoint withdrawals, 3 per cent of the total, drops from 9p to 7½p.

The criterion for maintaining current accounts free of charge has been changed from an average balance of £150 to a minimum of £100 for the half-year period.

The charges relief rate, by which those not qualifying for free banking have charges reduced in proportion to the average sum in their current account, has been fixed at 4 per cent since 1975. It will be 1 per cent below deposit account rate.

In practice relief rate is likely to mean that the average customer, with 60 withdrawals a year, is not charged if his average balance remains above £150 even if he drops below the £100 minimum.

# OVERSEAS NEWS

## India to get $200m more aid

By David White

PARIS, June 9.

THE INDIA consortium of aid giving countries and agencies has given strong support for the Indian Government's latest five-year plan and pledged about $200m more in grants and loans this year.

Total aid commitments made *at the consortium's two-day* meeting at the World Bank's *offices here are put at between* $2.2bn and $2.3bn for the 1978-1979 financial year. In real terms, this is roughly the same level India has been receiving from the consortium which comprises 12 Western countries Japan, the World Bank, the IMF and the UN development programme.

Members gave full backing *for the Government's strategy,* especially the shift of resources *into rural areas, emphasis on* small industry and the new voluntary *population* control programme, being set up on the ruins of the previous Government's compulsory sterilisation project.

They expressed their willingness to maintain the flow of aid despite the improvement in India's foreign exchange position.

World Bank officials noted *the high level of both India's* food grain stocks and its *foreign reserves, boosted to more than $5.5bn* by higher remittances from Indian workers employed in the Middle East.

The reserves now cover about 10 months of imports after dropping to the equivalent of two months' imports immediately after the 1973 oil crisis. While the current level is not seen as unduly high, in the light of India's needs, the growth plan may mean that reserves slip back to five or six months' import cover.

However, the consortium supported the Indian Government's moves to liberalise imports.

## Japanese demand stimulus 'to go on'

TOKYO, June 9.

JAPAN'S ECONOMIC *Planning* Agency has said signs of recovery are evident in many sectors of the economy, *although unemployment has* not improved and some industries *are still suffering from* recession.

*Its monthly report said* the Government will continue to *stimulate domestic demand to* consolidate the recovery and *put the economy on the road* to stable expansion.

It *particularly* welcomed the 2.4 per cent rise in real gross national product in the first quarter, adding that the mining and industrial production index, which fell 0.5 per cent in April, is likely to increase by 2.3 per cent in May.

The production index is expected to increase by 2.0 per cent in the second quarter of 1978, down from 2.9 per cent in the first quarter, but up from 1.5 per cent in the fourth quarter of 1977, it said.

The main reason for the production rise has been larger Government spending, while demand for consumer durable goods has also been increasing and electric power generating and other non-manufacturing industries have been *gradually expanding capital outlays,* it said.

*Both wholesale and* consumer prices have been stable, *it added.*

Reuter

## Australian calls for more open EEC markets rejected

BY MARGARET VAN HATTEM

BRUSSELS, June 9.

THE EEC COMMISSION today *rejected Australian demands for* early assurances of greater access *to* EEC markets, saying these could only be taken up in the multilateral trade negotiations in Geneva.

Mr. Victor Garland, Australia's Minister for Special Trade Representations said after his talks with the Commission that he had been offered "nothing of value —not *even a written response to* our written submission."

*Mr.* Garland's *meeting* in Brussels over the past two days *follows almost* a year of *nego*tiation during which the Australians have tried unsuccessfully to obtain guarantees from the Commission of greater access for Australian beef, sheep meat and fruit, and of less competition on third country markets from heavily subsidised EEC agricultural exports.

The talks began following a *joint statement last year by* Mr. Roy Jenkins, the Commission *President* and Mr. *Malcolm* Fraser, the Australian Prime Minister, recognising the need for co-ordination in certain bilateral problems.

Mr. Garland made no specific threats of retaliation, merely saying that unless the EEC adopted more realistic policies Australia would be forced to review its import policies. The Australian *Cabinet would discuss the matter* next week, he added.

Though Mr. Garland is a *junior* minister, and therefore not in a *position to initiate threats. It is* generally felt that the unspecific nature of his comments *represents something of a climbdown* by the Australians.

**David Housego adds:** In a strongly-worded statement in London today, Mr. Malcolm Fraser, the Australian Prime Minister, condemned the results of the trade talks with the Community as "completely unsatisfactory, totally unacceptable."

He said Australia would *continue to press the Commis*sion for a more positive conclu*sion but warned that, failing* this, Australia would be forced to re-examine the "totality" of her commercial and trading policies with the Community.

Mr. Fraser did not spell out what he meant by this threat—which is in line with Australia's continuing onslaught on EEC policies. But earlier he said the Community had almost com*plete access to the Australian* market for its industrial products, whereas the European market was virtually closed to a wide range of Australia's agricultural exports.

Mr. Fraser was speaking after talks with Mr. Callaghan at Downing Street. He is also to visit France and Germany as part of his campaign to obtain during next month's multilateral trade negotiations in Geneva the concessions on agricultural products that Australia has failed to *get from the EEC.*

He believed that Britain had been *helpful in arguing* Australia's case in the Com*munity*, as had some other members, including Italy.

## Life expectancy 'at limit'

BY JOHN WICKS

ZURICH, June 9.

THE UPPER limit of life expectancy may have been reached in a number of industrialised countries, according to a study prepared by Swiss Reinsurance Company, of Zurich. Further medical progress, it is claimed, will lead only to *insignificant improve*ments.

*During* the past 20 years, average life expectancy—while *differing from country to* country—is said by Swiss *Reinsurance to* have improved only slightly and at times even *to have declined.*

Mortality of younger age groups has "greatly increased" as a result of accidents in practically all industrialised countries, the study states, though a stagnating or even declining development of life expectancy may also be observed among *higher age groups.*

Swiss Reinsurance, which forecasts that life expectancy will *increase in developing countries,* attributes the deceleration of life expectancy in industrialised countries to "civilisation *diseases," including those relat*ing to pollution, and to road accidents.

In a comparison of life *expectancy rates in 24 countries* during recent years, the report *says* that all *countries,* age groups and periods showed a higher *figure for women than* for men. The difference in life expectancy between the sexes declines, however, with growing age owing to the substantially higher mortality rates for men of lower age groups than for women of the same age groups.

## Nine Russians imprisoned for bank fraud

By David Satter

MOSCOW, June 9.

A TWO-YEAR investigation into a 1½m rouble (more than $2m) bank fraud in the south Russian city of Krasnodar has ended with the conviction of nine swindlers to 15-year labour camp sentences.

The report of the sentences, and of the swindle, was carried in a recent issue of the newspaper Sovetskaya Rossiya, which recounted how members of the gang who worked at the local branch of the state bank and a factory run by the Soviet Association for the Blind routinely obtained generous bank payments for goods the factory never produced.

The Soviet Press publishes *little about Soviet crime but* fragmentary evidence indicates that *petty thievery and minor* swindles organised by handfuls *of co-operating individuals are* rampant.

## EEC closes zip fastener prices probe

By Guy de Jonquieres, Common Market Correspondent

BRUSSELS, June 9.

THE EEC Commission has decided to close its far-reaching investigation into alleged price fixing and abuses of dominant positions in the European zip fastener market. It is satisfied that the alleged violations of competition laws have ended.

The investigation was launched following a complaint by Yoshida Kogyo KK (YKK) of Japan, the world's largest zip fastener manufacturer, and covered the activities of more than 40 companies with aggregate sales of about £130m.

It focused, in particular, on the relations between Imperial Metal Industries (*IMI*) of Britain and the German-Swiss group, Heil*mann, which until their recent* merger were the two biggest zip *fastener manufacturers* in the EEC.

## Sudan devalues currency by effective 20%

BY JAMES BUXTON IN LONDON AND ALAN DARBY IN KHARTOUM

*SUDAN, FACING a serious* balance-of-payments crisis, has *devalued its currency by an* effective 20 per cent. The *measure, which took effect* at midnight on Thursday, may clear the way to agreement with the International Monetary Fund on balance-of-payments support.

The official exchange rate has been adjusted from $2.89 to the Sudanese pound to $2.50, a devaluation of about 13 per cent. However, the Government formerly operated a subsidy on *incoming foreign exchange trans*actions and a tax on outgoing transactions of 14.875 *per cent,* making the previous effective rate about $2.50 before devaluation.

Now the Government is to offer an exchange rate subsidy/tax of £S 0.10 on all transactions at the *new rate which produces* an effective rate of about $2.00 to the Sudanese pound, or a devaluation of 20 per cent.

The devaluation comes at a time when Sudan is finding it difficult to pay for essential imports such as fuel and spare parts because of a pressing foreign exchange shortage.

The balance of payments deficit figure of *$55m at the end of* the nine months to March this *year understates the real posi*tion since only imports paid for are recorded. Sudan has built up a large backlog of unpaid loan instalments, imports not paid for and overdrafts abroad by the Bank of Sudan amounting to between $600m and $700m, according to conservative estimates.

Sudan has hitherto resisted IMF pressure to devalue the *pound on the grounds* that it was politically impossible. It has, however, been introducing other measures, including a tightening of financial controls and a reduction in development spending, aimed at stabilising the economy, and last week senior *Sudanese* officials were talking of obtaining a total of $200m from the IMF both in a standby credit and a *Witteveen facility.*

Devaluation will make the *need for balance of payments* assistance all the more pressing because it will increase the price of essential commodities such as food and fuel, and reduce export earnings in Sudanese pound terms. Most Sudanese exports, mainly cotton and other agricultural commodities are priced in dollars anyway.

It may be significant that President Jaafar Mohammed Nimairi of Sudan returned yesterday from a visit to the Arabian peninsular aimed at investigating the possibility of an Arab summit to resolve differences over President Sadat's peace initiative. His *itinerary included Saudi Arabia,* which it is believed has been *prepared to offer Sudan up to* $700m in balance of payments *support provided Sudan accepted* the IMF's austerity terms.

The main source of concern for British exporters to Sudan is likely to be the fate of sums owed in foreign exchange by Sudanese customers for goods already delivered. It is believed that between £50m and £100m sterling may be awaiting transfer, the equivalent local currency having been paid into the banks at the old rate of exchange.

It remains to be *seen whether* the customers or the Bank of Sudan will take responsibility for the extra local currency needed to buy the foreign exchange at the new rate.

Despite the devaluation, Sudan still retains a multi-tier exchange rate system, and the new effective rate of *$2.00* to the Sudanese pound is still considerably above both the black market rate and the rate offered to expatriate Sudanese *for remitting foreign* currency. Sudan is also to convert its earnings from *cotton* at about $2.50 without the £S0.10 incentive.

Sudan now faces a politically delicate period of rising prices with few of the promised benefits of the development drive—the cause of the balance of payments problems—yet available.

Chairman Hua Kuo Feng

## Divisions in Chinese army elite

By Colina MacDougall

THE IMAGE of a divided, at *times disobedient army often* slow to obey orders and too interested in politics has emerged from two major military conferences in Peking this week.

The conferences, attended by China's top three leaders including Chairman Hua Kuo-Feng, were scrutinising the crucial issues of modernisation, the army's political role and efficiency in logistical operations.

At one conference Chinese Communist Party vice-chairman Teng Hsiao-ping warned officials in charge of logistics to avoid financial dishonesty and black market deals.

The overwhelming importance of the conference on political work was underlined by the fact that it was addressed by all three leading Chinese statesmen, *Chairman Hua,* vice-chairman Yeh Chien-Ying and vice-chair*man Teng Hsiao-ping.*

Chairman Hua gave as much *prominence to the need for* modernisation as he did to *political work.*

The conference discussed a report *by the Director of the* Army's political department, Wei Kuo-Ching, which *defined* the main task for the army as maintaining the party's leadership and improving its combat capabilities. It covered six points: the need to continue the struggle against the disgraced Gang of Four, to choose future leaders to understand that modernising does not conflict with ideology, to devote sufficient attention to military training, to work hard and live plainly, and to set up an examination system and enforce discipline strictly.

Several important factors emerged. One was that dissension continues within the army leadership. The party's control is evidently not complete and the main task seems still to criticise the Gang of Four and Lin Piao, chairman Mao's disgraced late *heir.*

Another point was that the *army leadership leaves much to* be desired.

## Huang Hua attacks Soviet role in Europe

By Our Own Correspondent

THE HAGUE, June 9.

CHINESE Foreign Minister Mr. Huang Hua strongly criticised Soviet intervention in Africa but warned that Europe is the focus of conflict between the two superpowers.

He was speaking at a news conference during a four-day visit to Holland. He arrived from Zaire on Thursday and *flies* to Turkey on Sunday.

Commenting on his talks with Mr. Christoph van der Klaauw, the Dutch Foreign Minister, Mr. Hua said both sides were of the view that Europe was the focus of contention between the two superpowers. Most of the Soviet Union's armed forces were de*ployed in Europe. The Soviet* Union had become the chief *threat to Western Europe.*

The Soviet Union preached detente, disarmament and conciliation but this was only being done to divide and isolate the countries of Europe so that it *could attack them one by one,* Mr. Hua said.

*Soviet expansion in the Middle* East and Africa was being under*taken to gain control of strategic* areas. By gaining control of *resources of strategic impor*tance, it hoped to encircle *Western Europe. The realisation* of the danger of this strategy *was growing in Western Europe.*

China believe, he said, that *Western Europe wished to see a* strong China to cope with the *Soviet threat. China was in* favour of Europe establishing a *partnership with the U.S. on an* equal footing to develop a *dialogue with Third World* countries, Mr. Hua said.

*Turning to Africa,* Mr. Hua said China congratulated the Zaire people and army on their victory. This was made possible by support from countries inside and outside Africa. China supported help for Africa from all sources provided it was based on respect for Zaire's sovereignty and territorial integrity.

China has agreed to prolong its aid agreement with Zaire. The two countries already have accords on economic and technical co-operation under which China is providing an interest-free loan to Zaire.

**Reuter adds from Peking:** China launched a further attack tonight on Hanoi's treatment of Chinese nationals in Vietnam, announced a partial cancellation of its aid programmes and rejected a Vietnamese call for talks on the problem.

However, diplomatic observers felt the tone of tonight's state*ment by the Foreign Ministry in* Peking was more moderate than *previous comments carried in* the Chinese Press on the issue.

## Federal Government to sue Exxon for oil over-pricing

BY JOHN WYLES

NEW YORK, June 9.

THE FEDERAL GOVERNMENT *is suing Exxon Corporation, the* world's largest petroleum producing company, *for $183m* which it allegedly gained by *over-pricing some of its oil be*tween 1973 and 1976.

The suit, filed by the Department of Energy in a Washington *DC district court yesterday,* took Exxon by surprise since it expected the *Department to pur*sue the case through administra*tive channels.*

Mr. O. L. Luper, a senior vice-president of the company, strenuously denied the charges today which first emerged six months ago in a "probable violation" notice issued against Exxon.

The Department's move is apparently based on the retroactive application of rules it adopted last September. These covered the standards to be met in pricing "new oil" and old oil under a two-tier price system introduced in the U.S. after the large increases in the world price of oil in late 1973.

The Department of Energy alleges that Exxon charged the new price, which was about $6 a barrel higher than the "old" oil price for oil drawn from its Hawkins Field in Wood County, Texas, whose output was not "new."

The Department is seeking to have the money paid into the U.S. Treasury because of difficulties in identifying purchasers of the oil.

Exxon said today the Department was responding to the suit the company filed two months *ago challenging the Depart*ment's interpretation of the re*gulations.*

Exxon has pointed out that the pricing policy at its Hawkins Field was thoroughly investigated by the *Energy Depart*ment's predecessor, the Federal Energy Administration. At that time, *the company claims* it was established that operators could "unitise" an oilfield which meant that some wells could be closed and others opened, and that there would be some latitude in applying "new oil" prices.

The case against Exxon is the result of an auditing drive launched by the Department which aims to conduct "intensified audits" *of 33* other large oil companies.

## Congressmen warn Fed

BY DAVID BELL

WASHINGTON, June 9.

THE CHAIRMEN of both the House and the Senate Banking *Committees have fired the first* shot in what could develop into a major battle between the Federal Reserve Board and *Congress.*

At issue is the Fed's desire *to pay interest on the reserves* held by member banks with the Federal Reserve system. The Fed wants to pay interest in order to prevent more banks leaving the system. Mr. William Miller, the chairman, said this week that he did not think Congressional approval was necessary to pay such interest.

But Sen. William Proxmire and Congressman Henry Reuss said in a joint letter yesterday that if the Fed tried to pay interest without Congress' permission: "It would impair relations between Congress and the Federal Reserve for years to come." Relations between Mr. Miller and Sen. Proxmire are already somewhat strained partly because of Mr. Miller's tight *money policy* and partly because Mr. Proxmire thought he should *never have been appointed to the* job in the first place."

The Fed is expected to publish, by the end of the month, a plan to make itself more attractive to member banks. It will presumably make it clear whether it wants to go ahead with the payment of interest without Congressional approval. If it does, the two legislators said, this "would constitute a blatant usurpation of Congressional powers and would raise profound questions about the continued independence of the Fed."

## 'Dying U.S. merchant fleet must be rescued'

BY IAN HARGREAVES

PIREUS, June 9.

WARNING of the possibility that "a major activity of the American domestic economy" may die, a senior *United States* Congressman called today for cargo *preference legislation to boost* the volume of cargo carried by *U.S.-registered merchant ships.*

Congressman John Murphy, one of the most influential men in American maritime politics told a one-day conference organised as part of the Posidonia shipping exhibition that a reversal of the decline of the American merchant navy was essential for reasons of national economy and security.

In the first nine months of last year, *the U.S. fleet had carried* only 4.6 per cent of the country's seaborne trade and matters had been made worse by recent *bankruptcies among U.S. ship*ping companies.

*These signs heralded* "the death of a major activity of the *American domestic economy*" and the $6bn paid to foreign flag operators in 1976 represented a *substantial portion of the U.S.* balance of payments deficit *which was at the root of the* country's economic difficulties.

The Carter Administration's pre-election commitment to *strengthening the merchant fleet* remained and that cargo preference would be the lynchpin of this policy. The concept had strong support in the Congress and in due course there would be *legislation.*

Today's conference also saw further exchanges between Greek shipowners and London underwriters over the question of additional premiums on cargo insurance for vessels over 15 years of age under certain flags.

Meanwhile, a severe blow was delivered here today to Scandinavian hopes of establishing a cartel to list freight rates for large oil tankers from their chronically depressed levels.

Talks between Scandinavian shipowners, who proposed the scheme six months ago, and the three largest Greek tanker owners, ended without agreement on Greek participation, without whom the plan has no chance *of success.*

## Progress with Skylab manoeuvres

*HOUSTON, TEXAS, June 9.*

AMERICAN scientists today completed *successful manoeuvres* with the Skylab space station *and said that if another test* tomorrow goes well the orbiting laboratory will function for several years.

Skylab, which has been orbiting the earth in a dormant state since 1974, suffered a breakdown on two of its gyroscopes which resulted in a smaller orbit and the possibility of it breaking up and falling to earth.

One manoeuvre today turned the space station's solar panels completely towards the sun, providing the craft with optimum power for its communications and other systems, officials at the Johnson Space Centre here said.

The National Aeronautics and Space Administration (NASA) originally had thought Skylab would remain in a stable orbit until at least 1984. However, scientists discovered recently the giant craft could fall back to earth as early as next April.

Reuter

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription $200.00 (air freight) $360.00 (air mail) per annum. Second class postage paid at New York, N.Y.

BURMESE REFUGEES IN BANGLADESH

## Solving one problem with another

BY SIMON HENDERSON, RECENTLY IN DACCA

THE 150,000 Muslim refugees now sitting in squalid camps near the border with Burma in the *very south-eastern corner of* Bangladesh represent both a local *and regional problem.* In all likelihood they are a mere vanguard of what amounts to the expulsion by Burma of the Muslim majority of about 1.7m, in the Arakan state bordering Bangladesh. It is the greatest display in the region during modern times of force to settle the problems created by tensions between tribal groups and central government.

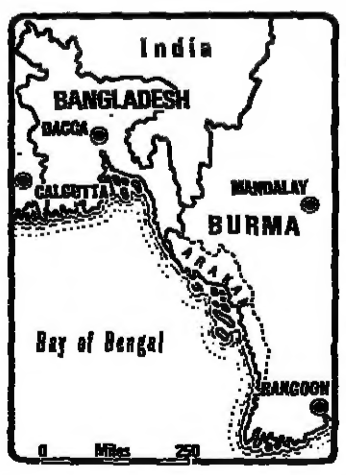
With eight significant ethnic minorities comprising more than a quarter of the population of 31m, *and with over 100 languages* spoken, Burma is the prize *example of this problem, which* is shared by most other countries in South East Asia in one form or another, including Bangladesh. One result of the present influx of refugees into Bangladesh, for the moment overlooking their individual plight and the extra strains on the country's resources, might *paradoxically* be to solve Dacca's own tribal *problem in the area* slightly north, the Chittagong hill tracts.

Neither *Dacca nor Rangoon* officially see the problems repre*sented here* in such terms. Bangladesh considers the Muslim *refugees of obviously* Bengali extraction known as Rohingyas to be the victims of racial persecution. Burmese diplomats claim that their Government is "only carrying out a census enforcing the Immigration Act and the Foreign Registration Act so that the country's socialist economic plan can be metodically implemented."

*Viewed from the banks of the* Naf river which forms the border for its last 50 miles before it reaches the Bay of Bengal, the Burmese *explanation* sounds very weak: The refugees walk in groups up from the river, possessing only what they can carry, no more than pots and pans and small tin boxes containing minor treasures. From amongst these they will produce on request the faded document that indicates *that they have right* to Burmese citizenship. They all tell the same *story of being driven from their* homes by Burmese soldiers, some of the young men and women being taken away for slave labour, or in the case of the women, as enforced camp followers.

Men who say they ran away from the forced labour camps *peal off their shirts to show* weals on their backs from whips, and in one case, a bayonet *wound* in the arm. A doctor in the makeshift clinic set up for the refugees talks of hundreds of girls being raped and needing abortions. The claim is open to some doubt, however, especially as, *although some* refugees tried to cross the border in March, most have come *across* in the last six weeks.

On a sunny day *conditions in* the refugee camps that have been set up several miles down the road do not appear much worse than those of local villagers who also have no proper sanitation and lack good drinking water. But when the monsoons really set in they will deteriorate very *sharply.*




Bangladesh wants the refugees to return to Burma; Burma refuses to take them unless they *can genuinely prove citizenship* and presumably give adequate *reason why they fled in the first* place. Rangoon emphatically states that the only people to flee, putting the number at 100,000 rather than the Bangladeshi estimate of upwards of 200,000, are those whose papers were incorrect or who were troublemakers being sought out by the Burmese law enforcement agencies.

The Dacca government says it does not want to assimilate them, but informed observers believe that they will eventually be settled in the Chittagong hill tracts. The observers believe that the coming of the refugees is a *result of the backfiring of Dacca's* attempts to look after the Muslims in Western Burma, which developed when Bangladesh was still *East Pakistan, before 1971.* The Mujahid movement in the Burmese Arakan *state* was supported clandestinely.

During a *treason trial* in Rangoon last year in which four people were sentenced to death, three of the accused as well as the public prosecutor mentioned the name of a Colonel Amin, the Bangladesh military attache in Rangoon. Apparently, though that is not clear since reporting of the trial was bad, Col. Amin was said to have exceeded his brief of *keeping an eye on Muslims in the* Arakan state. Whether he was actually encouraging *secession,* or handing out Libyan-supplied weapons as commonly *rumoured* is also not clear. In any event, he was quietly sent back to Dacca.

Bangladesh's hill tracts problem is a variation on the age-old issue of tribesmen resenting settlement by men from the plains. Some groups, encouraged by remnants of the Mizos and *Nagas, have* brought about a state of lawlessness in the district which was particularly bad in 1975-77, and still requires regular sorties by the Bangladesh *police* and army to control it.

In the view of *some* Bangladeshis, eventually to settle the present Rothingyas *refugees* among the tribesmen of the hill tracts, in sufficient numbers to squash any adverse reaction, would be the stablest solution to the problem.

## Dutch Government proposes tougher austerity package

BY CHARLES BATCHELOR

AMSTERDAM, May 9.

*THE RESTRICTIVE* package due to be unveiled by the Dutch Government next week is likely to be tougher than that *envisaged by the previous* Cabinet. In an apparent attempt *to prepare his listeners for a* tough dose of restraint Mr. *Frans Andriessen,* the Finance Minister, warned that the painful effects of the measures would be felt long before any economic improvement occurs.

The latest set of economic forecasts which are also due to be announced next week show that prospects for the Dutch economy are even worse than was thought last year, Mr. Andriessen told the annual meeting of Centrale Rabobank in Utrecht. *Despite good progress* made in slowing the rate of wage rises to an estimated 7 per cent this year and cutting inflation to 4 or 4½ per cent, further considerable improvements must be made.

The Government's financing deficit must be gradually reduced to 4 per cent of national income from the forecast level *of 5.3 per cent, on a cash basis,* for 1978. It will try to maintain *the real purchasing power of* the so-called "modal" worker, earning around Fl 31,000 ($14,000) a year and, as far as possible, of the middle income groups.

The corner-stones of Government policy over the next few years are the reduction in the share of incomes in national earnings 80 per cent from present levels of more than 92 per cent and the bringing of price rises for Dutch goods below *those of Holland's competitors.*

This must be achieved by keeping increases in taxes and social security payments down to a minimum. This does not mean there will be no increase in public sector spending but the *totals for the period* up to 1981 must be several billion guilders *lower than* was earlier thought possible.

● Two *major* Dutch banks have appointed prominent figures from the political and international financial worlds to senior positions. The Centrale Rabobank yesterday announced the appointment of Dr. Wim Duisenberg, *Minister of Finance* in the last Government, to the bank's managing Board.

Dr. Duisenberg, 42, will become an adviser to Rabobank's top management in August and become a member of the management Board from January. His decision to resign as a Labour member of the *Lower House of* Parliament has clearly displeased *his party. Opposition* leader Mr. Joop den Uyl, who brought Dr. Duisenberg *into his Cabinet in* 1973, made clear in a letter to the former Minister that he should have waited longer before moving from a Cabinet position into private banking.

# Leyland looks for new HQ in London

BY TERRY DODSWORTH

BRITISH LEYLAND is looking for new group headquarters in London to take the place of its offices in Marylebone Road and Piccadilly.

The proposed move follows seven months in which Mr. Michael Edwardes, British Leyland's chairman, has run the motor group from a small suite of offices in Nuffield House, Piccadilly.

He established himself in this building, well away from the former headquarters in Marylebone, to distance himself from the policies of the former management.

There is no doubt that this approach was resented by some of the established Leyland executives, but the Edwardes team believe that it helped to establish the principle that radical changes would be pushed through.

With the main lines of the new head office organisation now established, however, Mr. Edwardes is bringing together his own staff with what is left of the Marylebone personnel.

The effect of the reorganisation is that Leyland's manning in London will fall from more than 600 to about 300.

British Leyland intends to sell the lease of the Marylebone Road office, known as Leyland House. But with a rent review due within a year or so, the receipts are expected to be modest.

# Bank official convicted of dollar premium plot

FINANCIAL TIMES REPORTER

INQUIRIES WHICH started more than two years ago into a suspected dollar premium plot in the City ended at the Old Bailey yesterday with the conviction of Mr. John Martin Wales, 42, a suspended Bank of England official, on conspiracy charges.

The investigations were started by the Treasury in early 1976 and were later taken over by Scotland Yard and City Fraud Squad officers, led by Det.-Supt. David Harnes and Det.-Insp. Pat Connolly.

Mr. Wales of Hunt Mead Close, Chislehurst, was accused of conspiring with various other people between 1975 and 1976 to obtain money dishonestly from authorised dealers in investment currency.

He joined the Bank of England in 1957 after his national service and was moved in 1965 to the Exchange Control Department, where he became a superintendent signatory at £8,840 a year. He was suspended shortly before his arrest in 1976.

The Bank of England will receive a report on the case, in which the Crown claimed that a group of people hoped to make more than £1m by seeking dollar premium rebates on fictitious securities.

Bogus letters were alleged to have been provided by two solicitors' firms to corroborate the claims. Mr. Wales was described as "a man in the Bank" who could help the conspirators with details of the scheme.

## Routine

But one of the group was a Scotland Yard informant and the project was "nipped in the bud" before any money could be obtained, counsel said.

Mr. Wales denied that he was involved in the plot and explained that he met with three of the alleged conspirators purely on routine bank business without any knowledge of their intentions.

But the jury, after being out for nearly eight hours at the end of a two-month trial, found him guilty by a 10—2 majority on both charges.

Sentence will be postponed until later this month. Solicitors for Mr. Wales indicated last night that they were considering an appeal against the conviction.

The jury convicted Mr. Leonard Ash, 39, a panel beater, of Normanton on the Wolds, Notts., of conspiracy and forgery, and Mr. Adrian James, 32, a solicitor, of Bray, Berks., of furnishing false information under the Exchange Control Act.

They will consider their verdicts on the two remaining defendants, Mr. John Robson, 57, a commodity trader, of Hutton, Essex, and Mr. Reginald Atkins, 50, a company director, of Solihull, Warwicks, on Monday.

# 'Put-through' broker named

STOCKBROKER Russell Colin-Jones, whose body was found at the foot of Beachy Head in March, has been named as "the man principally responsible for a number of put-through deals" which have been investigated by the Stock Exchange.

The Stock Exchange Council said yesterday that it had completed a preliminary investigation into dealings in the shares of nine companies and had passed its findings to the Department of Trade, the City police and the Unit Trust Association.

The companies involved are: Amalgamated Distilled Products, Adda International, BPM Holdings, Bucknall Trust, Consolidated Plantations, Knott Mill, Swan Ryan International, U.U. Textiles and Wearwell.

The Stock Exchange claims that it has uncovered prima facie evidence that false markets were promoted in the shares of these companies at various times "by a number of persons outside the Stock Exchange."

Mr. Colin-Jones is named as the person "principally responsible for dealings which appear to have been contrived with the purpose of affecting the prices of these securities."

# Sir Monty seeks bipartisan policy on State industries

BY MICHAEL LAFFERTY

IN AN outspoken attack on Government handling of the nationalised industries, Sir Monty Finniston yesterday called for a bipartisan political policy on nationalisation and the appointment of an Ombudsman to keep the peace between public sector managers and Government Ministers.

Sir Monty, former British Steel Corporation chairman, cited recent senior Conservative shadow Ministers' efforts to play down the leaked Ridley report. He said that neither of the main political parties would ever bring about any significant degree of de-nationalisation.

Indeed there was ample evidence that the same corporation as bedevilled nationalised industries was now hampering the private sector. So he believed the nation would have to make the public sector work.

But Sir Monty, who was speaking at the English Chartered Accountants annual conference at Brighton, was particularly critical of Ministers' absolute rights to interfere in the industries they sponsored. "If we can have a bipartisan policy on Ulster or foreign policy, we ought to have it for nationalisation," he said.

The Select Committee structure of the House of Commons showed that politicians could come to some consensus on great political issues.

# Londoners' chance to reduce their mortgage payments

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

MORTGAGE rates could be coming down for many Londoners, in spite of yesterday's announcement of more expensive home loans.

The Greater London Council is proposing to adopt a scheme under which about 5,000 families living in the London area will be able to change their GLC mortgage—costing a fixed rate of 11 per cent—for a 9¾ per cent loan at the new rate recommended by the Building Societies' Association.

A scheme has been worked out in co-operation with the Abbey National Building Society and will be considered by two GLC committees next month. Mr. George Tremlett, leader of the council's housing policy committee, said: "This is possibly the most important breakthrough yet in the relationships between the GLC and the building societies."

Under the proposals, a £9,000 home loan will cost about £10 a month less. The GLC will be writing to all eligible home owners setting out the offer.

In February, the Nationwide Building Society said it intended to lend about £8m a month to people wishing to make home improvements and to people wanting to replace their fixed-rate local authority mortgages with ordinary repayment mortgages at rates recommended by the Association.

# Machine tool orders rise

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

DEMAND for machine tools from the home market remained buoyant but the intake of export orders was falling during the early part of 1978, according to Department of Industry statistics.

By the end of February the industry had £282m. worth of orders on the books, 3 per cent up on the previous three months and 33 per cent better than at the same time in 1977.

In terms of current activity the order books are enough to maintain the industry into the autumn.

The statistics, published in Trade and Industry magazine yesterday, are in line with the recent forecast from the European machine tool makers—including those from the UK—that orders should increase by about 7 per cent in the first half of this year compared with the same period of 1977.

In the three months to the end of February, new orders from the home market rose 7 per cent to £80m. This was partly offset by a 10 per cent fall in orders from overseas.

Compared with a year earlier, the inflow of orders from the home market was 40 per cent higher but new export business fell by 22 per cent.

# Lucas faces sanctions trial

Financial Times Reporter

TWO COMPANIES in the Lucas Industries motor components group are to go for trial at Aylesbury Crown Court on charges of breaking Rhodesian sanctions.

Lucas Service Overseas, the export division of the group, and CAV, a Lucas susbidiary manufacturing diesel and fuel injection systems, face 13 charges involving goods worth £154,403 under section 52(2) of the Customs and Excise Act, 1952.

The charges allege breach of the Rhodesia United Nations Sanctions Order (No. 2), 1968, and concern events alleged to have taken place between February, 1975, and June, 1976.

Aylesbury magistrates have also committed three individuals on similar charges. Mr. John Edmund Maund, CAV commercial manager, faces two charges, Mr. Thomas Graham Lock, director and general manager of Lucas Services Overseas, faces one charge, and Mr. David James West, a Lucas Service Overseas area manager, faces four charges.

# Dockland fish market backed

By John Brennan, Property Correspondent

PLANS to move London's Billingsgate fish market to a new £6m market complex in Dockland have been agreed by the Greater London Council's Central Area Planning Committee.

The committee's approval of the move to a 13-acre site off West India Dock Road in Poplar follows agreement to the plans by the London borough of Tower Hamlets and the Docklands joint action committee. The transfer will now depend upon the decision of the Secretary of State for the Environment, Mr. Peter Shore.

It is expected that the move from the 100-year-old Billingsgate market in Lower Thames Street will be financed by the Government through grants to Tower Hamlets, with a proportion of the cost being paid by the capital's market authority, the City of London Corporation.

# Approval for nuclear waste contract

By David Fishlock, Science Editor

THE GOVERNMENT has approved a £10m contract for reprocessing spent nuclear fuel at Windscale, on similar terms—including a 40 per cent down-payment—to those of the £500m contract with Japan signed by British Nuclear Fuels last month.

The contract, now awaiting signature, is understood to be with Holland for 34 tonnes of spent fuel from its Dodeward light-water reactor.

Mr. Anthony Wedgwood Benn, Secretary for Energy, who visited the Windscale factory in Cumbria yesterday, said that as a result of the Parker inquiry into the company's reprocessing plans and the subsequent endorsement of the report by Parliament, it had been possible for him to approve the contract "overnight."

British Nuclear Fuels is seeking additional contracts totalling about 400 tonnes of spent fuel during the 1980s, in order to fill the remaining capacity of its planned new facility at Windscale.

# Polaroid: now all the world's a screen

BY DAVID WALKER

POLAROID'S Polavision instant movie system is moving out of the U.S. on to the world market. Seen in Europe for the first time at an international Press launch in Monte Carlo over the past two days, the system makes its public debut this side of the Atlantic at Photokina, the big Cologne photographic trade fair in mid-September.

It should be in the shops by Christmas and in Britain it is expected to sell at a fraction under £400.

Polavision was unveiled at a typically carnival-like Polaroid annual meeting in April last year and went on test-marketing in California in October before going national in the U.S.

It consists of a lightweight, conventional-looking camera, an 8mm film cassette and a playback viewer similar to a portable television, with a 12-inch screen.

The hardware is made for Polaroid by Eumig of Austria, one of Europe's biggest manufacturers of photographic equipment, with the film cassette made by Polaroid itself in the U.S.

The California test launch was not without problems. After three months the advertising approach underwent radical changes because of its failure to make an impact. But now, according to Dr. Richard Young, President of Polaroid's international division, the company is "very pleased" with the way sales are going, though it remains silent on actual market size.

The launch costs outside the U.S., Dr. Young said in Monte Carlo, "will be in millions of pounds." About 40 per cent of Polaroid's business is outside the U.S. and Dr. Young expects Polavision overseas sales to reach at least the same proportion within two to three years.

In the UK, Polavision will come on to a market for cine equipment which has long been relatively depressed, with about 130,000 8mm and 16mm cameras and projectors sold last year, almost all of them imported. With a silent movie camera available at upwards of £30 to £40—against a likely £130 for the Polavision camera alone though it cannot be used separately from the viewer—and projectors available at much the same price, the instant movie will be relatively expensive.

Likewise the film cassette at a probable £6.50 for 2 mins 40 seconds of playing time compares with about £4 for normal Super-eight movie film lasting three minutes.

The system's lack of sound could also be a disadvantage. "Silent cine is all but dead above £100," declares one major UK dealer chain.

Polaroid has been working on adding sound to its system but it is said to be up to two years away. Nonetheless Polaroid claims that the lack of sound should not deter potential customers; it will be focusing its advertising on the simplicity of the system and the absence of any need for elaborate arrangements for viewing the film, hopefully creating a new market.

At the same time, it sees considerable commercial and scientific applications for Polavision. These are already beginning to be an important market in the U.S.

# Philips to close 15 sales depots

PHILIPS INDUSTRIES yesterday announced the closure in September of its wholesale network, *Allied Electrical Distributors*. Three hundred people employed at 15 depots in England, Scotland and Wales will be made redundant.

*Philips said that AED*, a wholly-owned subsidiary, had traded at a loss for several years while efforts to improve viability had failed.

Three AED directors were negotiating to buy four depots—*at Colwyn Bay*, *Shrewsbury*, Birmingham and Newcastle, Staffs. This could save about 100 jobs. The new company intended to continue using AED's name.

*AED*, which distributes consumer goods and industrial components to dealers, handles between 5 per cent and 10 per cent of Philips' sales in Britain. It lost more than £1m. last year on a turnover of just over £20m.

*Most of Philip's sales are made* direct to national chains or to other wholesalers. AED's main problem appears to be that it was dispersed too widely for the *volume of business it built up*. Margins in the electrical wholesaling business are very small *and competition from smaller retailers is tough*.

● Pye of Cambridge is to *transfer some activities* of Pye Ether from Stevenage, Herts, to Pye Unicam, Cambridge, in order to reverse continuing losses. The Ether *Stevenage factory* will be closed by April 1979.

# Rail business to Edinburgh up 10 per cent

*By Lynton McLain, Industrial Staff*

BRITISH RAIL has reported a *10 per cent increase* in passengers between Edinburgh and London since the introduction on May 8 of its 125 mph High Speed Train (HST).

*This* compares with a 3 per cent average annual growth in Inter-City traffic and an expected rise of between 14 per cent and 28 per cent forecast by BR as a result of the introduction of the HST on the Eastern Region.

BR Scotland said the figure of 10 per cent for one month, if maintained over a full year, would more than double British Rail's passenger traffic from Edinburgh to *London*.

# Britain to seek EEC action on Soviet shipping

BY IVOR OWEN, PARLIAMENTARY STAFF

BRITAIN is to make a new *attempt* to secure concerted action by the EEC to counter Russia's attempt to corner a bigger share of world shipping through subsidised rate cutting.

Mr. Stanley Clinton Davis, Under-Secretary for Trade, told the Commons yesterday that on Monday the *EEC Council* of Transport Ministers will be asked to take decisions which will lead to a community monitoring system.

*He said this would be designed* to obtain and record information on all maritime practices deemed to be detrimental to the shipping interests of member States *whatever their source*.

The council would also be *asked* to decide on the joint application by member States, using their national powers, of measures to counter identified threats.

*This would be accompanied by* a "specific decision" immediately bringing the monitoring system into effect vis-a-vis the liner shipping activities of the Soviet *merchant fleet*.

He stressed the Government's belief that the Soviet Union—now engaging in "predatory rate cutting"—would be concerned to arrive at an agreement if the EEC showed itself to be united and *resolute*.

The Minister promised that Britain would look sympathetically at any proposals made by other EEC countries to extend *the monitoring system* to include other maritime practices such as flags of convenience, which could be deemed detrimental to member states.

But *the immediate focus of* community concern should be the Soviet maritime threat, both actual and potential.

Mr. Clinton Davis, said: "I believe that inaction now could well result in this threat being extended to the bulk trades since we are convinced that there is an avowed Soviet intent to *build up their shipping behind a* curtain of preference and subsidy."

The Government estimated *that* Russia would have a container capacity of 30,000 units in 1981 of which at least 19,000 units would be used on international *trade routes*.

"This sector of shipping will have the largest growth rate and represents the major competitive threat to Western liner operators."

The largest potential threat was the Trans-Siberian land bridge. There was strong evidence that Russia was seeking *to attract cargoes by offering* rate advantages of 40 to 50 per cent on some goods.

# Pym attacks 'threat' of Welsh devolution

BY ROBIN REEVES IN LLANDUDNO

THE GOVERNMENT'S devolution *proposals are a direct threat* to the livelihood of Wales, Mr. Francis Pym, Chief Opposition spokesman on devolution, told the Welsh Conservative's conference in Llandudno, yesterday.

Delivering a fierce attack on devolution, Mr. Pym suggested it would halt the "natural and continuous economic development of North Wales with the North West of England and the West Midlands.

"My fear is that it will *actually harm the government* of Wales. It will lead to confusion and, worse still, it will lead to constant disagreement between Wales and England. The *harmony we have cultivated for* so many generations will be interupted."

Mr. Pym accused the Government of being "rattled" by the *modest success of Plaid Cymru*, in tabling its Welsh devolution *plans*. But the Bill's real purpose was to preserve Labour rule in Wales at any cost. "That *is despicable in itself* and a perverted basis on which to embark on a programme of constitutional *innovation*" he said.

Reminding his audience that Welsh MPs, given a Wales Assembly, would continue to vote on matters concerning England for which they would not be able to vote in Wales. *Mr. Pym* argued that *this would* create for the first time, conflict within the UK on the basis of nationality.

The Conservatives thought it likely the people of Wales would reject the devolution measures But if the Wales Bill became an Act, and a general election intervened, a returned Conservative Government would still hold the proposed devolution referendum and be guided by the result.

# Spending from fund up 18%

BY DAVID FREUD

THE MAIN component of Government *spending—from the* consolidated fund—rose 18 per cent in April and May compared with the same period a year ago.

The increase was roughly in line with the Budget forecast *of an increase of 17 per cent* for the 1978-79 financial year.

*Expenditure from the fund* rose £1.3bn to £8.2bn in April/May compared with the same two *months last year*. But at this early stage it is not possible to extrapolate safely from the trend, especially as the figures are not seasonally adjusted.

The central government borrowing requirement is especially affected by seasonal variations, because on the revenue side of the equation the bulk of the Budget tax cuts have not yet worked through.

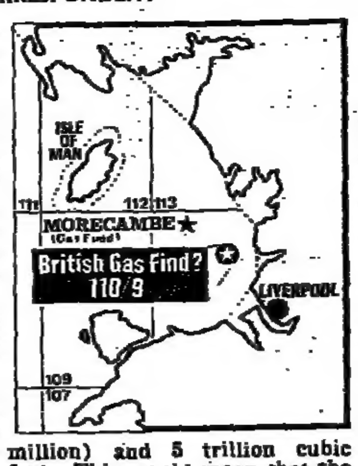
The raw figures show that the *borrowing requirement rose* 20.9 per cent to £2bn in April/May, compared with a Budget forecast for the whole of the year of a 44.4 per cent increase on the outturn *for 1977-78*.

The figures show that while the nationalised industries have been borrowing more, local authorities have cut the amount borrowed *from the national loans* fund.



# Traces of natural gas found near Blackpool

BY RAY DAFTER, ENERGY CORRESPONDENT




NATURAL GAS has been discovered seven miles offshore from Blackpool, the Lancashire resort.

So far, British Gas Corporation has confirmed only that traces have been encountered but tests could show that this is an important discovery.

The gas was found by the chartered *drilling rig*, *Offshore* Mercury which, on a clear day, is just visible from Blackpool Promenade.

The well, drilled on block 110/9, was the closest *to shore* of all the holes drilled by British Gas in the Irish Sea.

*If the test is successful* it could prompt a wave of exploration in that area. It is thought that the gas is contained in a separate structure from British Gas's significant *Morecambe Field*.

Morecambe is contained in a complex geological zone which has not been fully evaluated. However, industry reports suggest *that the field could contain* between 3 trillion (million million) and 5 trillion cubic feet. This would mean that the *Morecambe reserves* would be the equivalent of perhaps a fifth of all the gas remaining in the UK North Sea fields under development.

*The corporation* would not indicate whether its next Irish *Sea well would be drilled on the* Morecambe structure or in block 110/9 close to the latest hole.

Morecambe has to be declared a commercial discovery. However, it is *possible that* British Gas will decide to begin exploiting the field early in the 1980s when, according to Wood Mackenzie, stockbrokers, the combined production from commercial fields on the North Sea will begin to decline.

*On this basis*, Morecambe gas could help to maintain supplies until further North Sea discoveries are tapped, possibly via a gas-gathering system.

*Morecambe* is regarded by the Government and the corporation as a particularly important field. It is 100 per cent State-owned and thus can be exploited when and how British Gas likes.

It is the first gas field to be found on the western side of the UK, which means that its supplies will help to balance British Gas Corporation's national distribution system.

# British Steel cuts more staff to match plant closures

BY ROY HODSON

*TOP SCIENTIFIC posts in the* British Steel Corporation are being axed and the Battersea laboratory, in London, where 170 scientists, engineers and *assistants work, is to be closed*. Many of the research and development staff will become redundant.

News of the closure was given *to the unions yesterday*, just a week after British Steel proposed the closure of its Gower Street offices in Central London, where 400 staff are employed.

*Sir Charles Villiers, BSC chairman*, has ordered cuts in white-collar jobs to match steelworks closures. More than 15,000 steel-working jobs have been abolished by British *Steel in the* past year and there is a prospect of a further 1,600 redundancies when iron- and steel-making ends at Shelton, Stoke-on-Trent, soon

*The axe will fall too on staff* jobs in the six divisional headquarters of the corporation in England, Scotland and Wales, as the drive continues to slim down the British Steel workforce.

Closure of the Battersea laboratories is part of a scheme to cut research and development to match the needs of reduced capital investment. Plans for bringing British Steel back into profit by the early 1980s include slashing capital spending on steel plants, from £1bn a year to £500m a year.

Need for research and *development* has been reduced because British Steel is now producing smaller tonnages due to the world recession.

Scientists and engineers to be *displaced from* Battersea *include* 85 graduates.

Redundancy payments for scientists and office workers in London will not include the sort of lump sums that have been paid to some redundant steelworkers.

# Cornwall Tin may buy Wheal Jane in package

BY PAUL CHEESERIGHT

CORNWALL TIN AND MINING, representing U.S., Canadian and Swiss financial interests, has *emerged as potential rescuer of* Wheal Jane, the tin mine, near Truro owned by Consolidated Gold Fields.

This gives a bizarre twist to a lengthy series of discussions between mining companies and the *Government on the future* of Wheal Jane, closure of which was first announced by Gold Fields on April 26.

Cornwall Tin is the owner of the Mount Wellington mine, which faces Wheal Jane across *the Carnon Valley*. It was the decision to close Mount Wellington that precipitated Gold Fields' decision to withdraw from Wheal Jane.

*The two mines are closely* linked because if the pumps stop working at one, the danger of *flooding increases at the other*.

The Department of Industry confirmed yesterday that it was negotiating with Cornwall Tin about future operation of Wheal Jane.

This signifies that the company has managed to work out with the Government a financial package which will provide for purchase and development of Wheal Jane and involve use of public *funds*.

Responding to Parliamentary and trade union pressure, the Government has been increasingly anxious to find some *method of keeping at least Wheal* Jane open. About 800 people found work at Mount Wellington and Wheal Jane, which are in an area where the unemployment *rate is double the national average*.

## ● NEWS ANALYSIS—FOOTWEAR DISTRIBUTION

# Stepping up the competition

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

WHEN THE Price Commission was asked to look at footwear distribution eight months ago it was generally assumed this would be *a way of getting at the British* Shoe Corporation without upsetting those Government departments which had the job of looking after Britain's troubled shoe industry.

In the event the commission's report, published yesterday, gives the corporation, a subsidiary of Sears Holdings, the green *light for expansion*.

The corporation will have to *reduce its margins*, along with the other High Street chains, but it will no longer be inhibited from exploiting its market dominance by the possibility of a *reference to the Monopolies Commission*.

With about 20 per cent of the retail market and six High Street chains, British Shoe has long *been a possible target for a* Monopolies Commission reference if it grew any further.

The assurance that the company will not be bothered by a *Monopolies Commission* reference as long as it grows internally, rather than by aquisition, is implicit in the commission's report

*Far from not wanting British* Shoe Corporation to expand, the Price Commission would like the corporation *to make life tougher* for its competitors. The commission seems to feel some of them have been able to operate on such high margins only because British Shoe Corporation has been doing so.

The report takes the commission into the main stream of High Street retailing for the first *time. The recommendations are* among the strongest the new commission has issued.

Framed in a highly convoluted way so as to catch all the big chains, they peg shoe retailers' gross margins to, at best, last year's level. Where gross margins have increased since 1975, *they will be restricted to the* 1975 level or 2 per cent below the 1977 level, whichever is the greatest.

The restrictions will be tailored *to individual companies and will* only directly affect retailers with ten or more branches. The commission has not suggested any time limit on the restriction. It *will be up to the Prices Secretary* to set a limit if he accepts the report.

In the case of British Shoe, the recommendations mean it would have to *trim its gross* margins by 1.2 per cent to about 46 per cent. The reduction would probably not mean any price cuts—except possibly in the form of promotional ones.

The commission has based its recommendations on a number of findings. Its figures showed that gross margins earned by footwear specialists were high in comparison to most other retailers.

## Isolation

The average gross margin *made by a shoe retailer in 1977* was 42.8 per cent as against about 30 per cent for all other retailers.

In isolation, this might not have worried the Commission too much. What appears to have concerned it was the big increase *in footwear gross margins over* time. Between 1961 and 1971, average gross margins on footwear rose 37 per cent.

The trend was particularly *noticeable among footwear* multiple shops, defined for the purpose of this report as shops with 10 or more outlets.

The increase seems to have slowed down in the past three years but in 1977 multiple footwear chains were still trading on average of 46.9 per cent. This *compared* with 34.6 per cent for the average independent shop. (Independents are, in some cases, buying from wholesalers which also have to make a profit).

*In 1977 British Shoe's gross* margin of 47.2 per cent was slightly less than *in 1976*. One *of its multiple competitors* was trading at a margin of 53.3 per *cent*.

The commission considered the industry's arguments that high gross margins were needed because of the low stock turn *and the risks involved in selling* high fashion merchandise.

But it *concluded that* the increase in gross margins was not justified by any change in the rate of stock turn. The stock-turn in retail footwear had *remained* virtually unaltered at about 2.6 per cent in the ten years to 1971. Margins had increased 37 per cent.

The commission accepted trade *arguments that in some senses* shoe retailing is competitive. Customers use good shoe leather walking from shop to shop before choosing shoes. But the existence of manufacturers' recommended retail prices on branded shoes meant price competition was relatively limited.

The commission's main objection to British Shoe seems to be that it has not been fighting hard *enough to exploit* its position both as a major buyer of shoes and as a major retailer. It gives the corporation top marks for efficiency.

*But in the commission's view* the corporation, trading at such high gross margins, has allowed less efficient competitors to trade at similar levels.





# Firemen obtain concession on work shifts

BY NICK GARNETT, LABOUR STAFF

TALKS on proposals to institute a 42-hour week for *firemen took a significant step* forward yesterday when the employers conceded that the two-shift system within the fire service could remain.

Employers' insistence that a reduction in hours had to be accompanied by the introduction of a three-shift pattern has been one of the major stumbling blocks *to the talks'* progress.

*The Fire Brigades' Union* said after the talks that it represented a "substantial change" in the employers' position.

The employers' were adamant, however, that the *offer of maintaining the* existing shift pattern was conditional on union acceptance of a broad package of measures.

Two of the most important *elements of the package* are greater flexibility in working routines, particularly non-fire-fighting duties, together with a commitment from the union on discussions towards a new disputes procedure for the service aimed partly at restricting *opportunities* for local industrial action.

Firemen are also thought to be concerned at proposals to introduce stronger management powers on manning changes at local level.

The employers said they still believed a three-shift pattern was better for the service and were *not* prepared to keep the two-shift offer if the union tried to whittle away the package.

The union, which is due to meet employers again on Wednesday, said there were still some "contentions" issues but were pleased at assurances that there would be no redundancies of fire service personnel or ancillary staff.

Local authorities have already been advised to begin recruitment towards the levels required for a 42 hour week.

They are committed to implementing the *shorter hours* in November providing talks with the Fire Brigades Union are successful.

# Electricians' dispute threatens hospitals

BY PAULINE CLARK, LABOUR STAFF

HOSPITAL ELECTRICIANS involved *in a pay clash* with the Government have embarked on a countrywide series of local union meetings to decide which hospitals will be the chief targets in a programme to selective industrial action.

*Plans for industrial action* from July 19 were given the go ahead by union leaders yesterday after talks with Mr. David Ennals, Health Minister, and Mr. Albert Booth, *Employment Secretary*, failed to solve the dispute.

The Electrical and Plumbing Trades union, which represents 5,000 electricians and 1,500 plumbers in the health service, said that first indications from branch meetings yesterday were that the Southampton training hospital, believed to be the biggest in Europe, would be among the first hit.

Frenchay and Southmead hospitals in the Avon Area Health Authority were expected to be affected, while meetings of union branch members in the London region on Monday were expected to make several major teaching hospitals targets for action. Withdrawal of labour is expected to cause closures *in some hospitals*.

Mr. Peter Adams, national officer in the EPTU, said yesterday that the Government had offered nothing to justify ending the dispute. But communication lines remained open and he still hoped a solution could be found before the date for action.

The union claims that the Government *has gone back on* an agreement reached in 1973 in refusing to allow a pay rise which would maintain parity with workers in the electrical contracting industry.

Hospital electricians were due for a settlement last January, but the Government has resisted their demands for what it says would *amount to an 18 per cent* pay increase in breach of Government guidelines.

Th problem centres on the failure of many area health authorities to introduce incentive schemes to enable hospital electricians to earn as much as those in private industry.

# Coal Board prepares for pit rescue men's strike

BY OUR LABOUR STAFF

COAL BOARD officials yesterday drew up contingency plans aimed at avoiding a halt to production *from the Yorkshire coalfield* if 36 pit rescue workers carry out their threat to strike on Monday.

But Yorkshire miners' leaders are seeking legal opinion on the Board's plans for providing emergency cover.

*Mr. Arthur Scargill, Yorkshire* president, said that engineers employed by the miners' union were not satisfied that full cover could be provided.

The Yorkshire group from rescue stations at Doncaster, Rotherham *and Wakefield* have rejected a package deal giving them more than £20 extra a week despite the decision of the executive of the National Union of Mineworkers to accept a pay and conditions regrading offer for the country's pit rescue workers.

Mr. Joe Gormley, NUM president, said yesterday the group were "out on their own." The rescue workers, he said, were now "at the top of the wages tree" and were overwhelmingly outnumbered in a 21 to 3 vote *to accept the new deal*.

The Coal Board in Doncaster said: "We are surprised and disappointed. It is a genuine attempt to correct anomalies and deficiencies in the whole range of wages and conditions."

Mr. Tom King, Conservative Opposition Energy spokesman, has written to Mr. Tony Benn, Energy Secretary, to express concern at his proposal to give unions the right to veto pit closures.

Mr. King said he believed the plan could cause "absolute chaos." "It is not the role of unions to be saddled with the ultimate responsibility. That is the job of management working through the proper consultation procedures."

● Over 1,000 foremen and supervisors at Ford's Dagenham plant who went on strike this week in a protest against shop floor violence, will return to work on Monday.

# ACAS defends its role

BY ALAN PIKE, LABOUR CORRESPONDENT

IF THE Advisory, Conciliation and Arbitration Service acted *only on a vote of members* involved when making recognition recommendations it would be reduced from an industrial relations body to a ballotting *agency, Mr. Henry Brooke, for* ACAS, told the High Court yesterday.

The UK Association of Professional Engineers is asking the *court to declare void an ACAS* report which failed to recommend recognition for the union at AP-Allan, a Bedford engineering firm.

*Mr. Brooke told Mr. Justice* May that the case provided the first opportunity for the court to pass judgment on the form of an ACAS report, which was *written by industrial relations* officers for an industrial relations audience. If the court was satisfied that the complaint against ACAS was without *foundation it should say so in* clear terms, since an "issue of confidence" involving ACAS's relationship with all unions coming to it for help was raised.

The UKAPE case, said Mr. Brooke, had been an intensely *difficult one and ACAS officers* had tackled it with patience, humanity and tact.

The hearing will continue on Monday.

# Bid to reverse pay vote

BY NICK GARNETT, LABOUR STAFF

LAY DELEGATES in the Transport and General Workers' Union construction section will almost *certainly be asked to reconsider* their rejection of an employers' pay offer which has resulted in the threat of strike action and put the industry's national negotiating machinery into question.

Mr. George Henderson, the union's construction section national secretary is expected to request next week that the executive sanction a recalled meeting of the joint industry committees who lay delegates narrowly voted 13 to 11 to reject the offer.

The Transport and General, which has been planning strikes *on a regional basis*, has been put into a difficult position.

The lay delegates voted against the advice of their negotiators but since then the majority of the union's regions *have said* they are unwilling to take industrial action.

At the same time, the bi-annual conference of the Union of Construction, Allied Trades and Technicians, the largest union covered by the negotiations strongly reaffirmed this week their negotiators' acceptance of the offer which affects 800,000 building workers and is due to run from June 26.

# THE WEEK IN THE MARKETS

## Strong demand for gilts

### LONDON

ONLOOKER

THE GILT market on Thursday finally got the economic package it had been seeking to stimulate investment demand. The Government package consisted of a return of the "corset," a jump in MLR to 10 per cent and a 2½ per cent increase in national insurance contributions, designed to reduce public sector borrowing requirement by £500m in the current financial year.

Since the institutions have been highly liquid for some time now, pending this sort of action and with the banks forced to shed over £1bn of interest bearing eligible liabilities in the next few months it was generally expected that there would be a drop in the money supply in the period to the early autumn.

So the gilt market has been spared the stop go monetary policy that seems likely up to the next election and demand flooded into the market. It was estimated that some £400m of stock was sold on Thursday with both the long and short taps activated. Such was the level of demand that it came as no real surprise that the long tap expired yesterday morning. This was soon replaced by an issue of £1bn 12 per cent stock and since this was only £15 paid it was favourably received and the gilt market finished the week on a very strong note.

But while the gilt market was banking on a quick drop in interest rates there was less euphoria in the equity sector. The increase in national insurance contributions would naturally hit the labour intensive manufacturing sector and the Financial Times Industrial Ordinary Share Index fell 8 points in the last couple of days' trading.

### Property sector

Equally higher interest rates and property shares do not mix well. But the market has long been anticipating further twists of the Chancellor's tighter credit policy, and the package was treated as unwelcome, but not unexpected news. Sector leaders ended the week a few pence lighter. But there was no repetition of the traditional crisis of confidence that attends a substantial increase in money costs.

It may be that the increased resilience of property companies to short-and medium-term interest rates has finally been accepted by the market. As the de-gearing and debt restructuring programmes of the past few years come to an end the circle of highly interest sensitive stocks has contracted to include only a handful of speculative shares. And support for those shares is not influenced by anything as rational as an upward trend in interest rates.

The sector's ability to shrug off last week's news also confirms the renewed long-term confidence in property shares' ability to out-perform the rest of the equity market on a two- to three-year view. Even though Land Securities' report of a 21.6 per cent uplift in the portfolio worth at its March year end was diluted by conditional comments of a subsequent slide in property investment values, the long-term recovery of the physical property market is not in question. And with the added investment appeal of sector projections showing a significant upturn in property company's revenues from reversionary growth at the turn of the decade, the security of rental-based revenue in comparison with the uncertain outlook for industrial company profits is beginning to reassert itself as solid support for the shares at this level.

**THE TOP PERFORMING SECTORS IN FOUR WEEKS FROM MAY 11**

| | % Change |
|---|---|
| Mining Finance | +8.6 |
| Chemicals | +7.4 |
| Property | +4.6 |
| Toys and Games | +3.1 |
| Mechanical Engineering | +2.5 |
| Household Goods | +2.4 |
| **THE WORST PERFORMERS** | |
| All-Share Index | —0.9 |
| Breweries | —4.3 |
| Stores | —4.6 |
| Banks | —5.9 |
| Insurance Brokers | —6.1 |
| Insurance (Composite) | —6.2 |
| Hire Purchase | —7.3 |

### P & O projections

P & O's shipping problems have all been well publicised and chairman Lord Inchcape's latest remarks have given the market a clearer picture of its position this year. Though the market has marked down the shares and its earnings estimates accordingly, the position painted is not one that is unduly severe or extreme—even for the first half.

The curent six months have obviously paled in comparison with the buoyant first half of 1977 although the analysts do interim pre-tax profits could be around a third of the £26.9m for the 1977 first half while the year's total may amount to £23m-£24m against [illegible] last year.

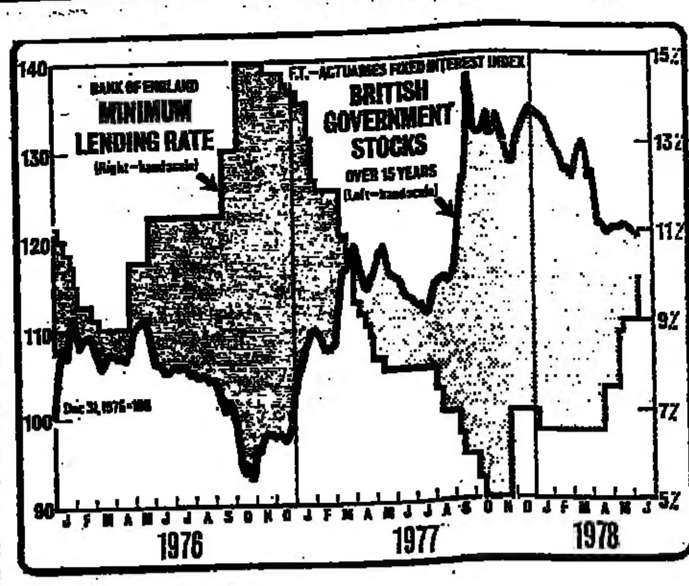
The analysts have pointed to the seasonal nature of P & O's business, which could benefit this time from an upturn in its non-shipping sectors. Construction and housing, in particular, have improved. Moreover, the European and air transport division, the ferries, road haulage and integrated transport are continuing to do well. The cruising business is producing good results and Bovis is looking better. But, overall, these are expected to be overshadowed by the recession in world shipping.

### Dividend restraint

The City and industry are anxious to establish the Government's intentions when the current dividend controls expire on July 31. If controls are lifted this will be the first time in six years that companies will be free to establish their own dividend levels. However a declaration from the Government is unlikely yet. Evidently there is still argument among senior Ministers as to the merits of dividend control. Some are concerned with the psychological effect of abandoning dividend controls while the future of wage rates is still in the melting pot.

To let controls end on July 31 would inevitably lead to a rash of substantial dividend increases by those companies wanting to establish a new payout level while they can. Dividend restraint has been with us for nine out of the last 12 years and the next Government might be tempted to re-establish controls.

Any extension of controls would need legislation. The question is whether the Government could count on Liberal support on this point. Feelings are that it could as long as the controls were wrapped up in a package of "understanding with the unions on pay." Dividend freedom is beginning to look unlikely.




slightly above 50 per cent, largely because of Albright's high level of borrowings.

Albright's prospects have recovered since Tenneco mounted its salvage operation and, while profit prospects for the current year is for a figure on a par with last year's £35.4m pre-tax, analysts estimate longer term profits will go higher. In the meantime the rejection and the possibility of Monopolies Commission reference has left Albright's shares 12p lower on the week.

### MARKET HIGHLIGHTS OF THE WEEK

| | Price Y'day | Change on Week | 1978 High | 1978 Low | |
|---|---|---|---|---|---|
| Ind. Ord. Index | 466.9 | — 8.6 | 497.3 | 433.4 | Restrictive monetary measures |
| Govt. Secs. Index | 70.26 | + 0.90 | 78.58 | 68.79 | Economic package welcomed |
| Airflow Streamlines | 105 | +19 | 105 | 63 | Results/capital proposals |
| Albright and Wilson | 150 | —12 | 166 | 86 | Tenneco's bid may be ref. to M.C. |
| Associated Book Publishers | 240 | +48 | 240 | 165 | Investment demand/thin market |
| Bramal (C.D.) | 91 | +16† | 92 | 89 | Successful debut |
| Buffelsfontein | £10 | + ⅞ | £10 | 764 | Increased final dividend |
| Charter Cons. | 144 | + 8 | 147 | 119 | Good 1977 results |
| Churchbury Estates | 255 | +18 | 270 | 233 | Persistent small buying |
| Elson and Robbins | 90 | — 8 | 98 | 69 | Disappointing results |
| Grovebell | 42 | +14 | 42 | 18 | Speculative demand |
| Hartebeest | £14 | + 1⅛ | £14¼ | 890 | Increased final dividend |
| Heron Motor | 136 | +22 | 138 | 88 | Press comment |
| Hickson and Welch | 208 | —15 | 223 | 156 | Int. profits setback |
| Office and Electronic | 116 | +13 | 116 | 88 | Speculative demand |
| Spooner Inds. | 76 | +23 | 79 | 48 | Bid from Redman Heenan |
| UKO International | 148 | —13 | 168 | 140 | Disappointing results |
| Usher-Walker | 62 | +11 | 62 | 49 | Renewed interest/thin market |
| Western Mining | 148 | +24 | 151 | 84 | Rich copper values at Benambra |
| Wood and Sons | 50 | +14 | 50 | 19 | Bid approach from Newman Inds. |

† On placing price.

### H & C's victory

Game, set and match to Harrisons and Crosfield. This week H and C's offer for Harrison Malaysian Estates went unconditional and the preliminary results were just above the company's own forecast. So the Winter and Spring campaigns have ended in complete success with Malayalam plantations and Harcros Investment Trust as well as HME consolidated under H and C's control.

Two questions remain. How will HME get on with its Malaysianisation? Will the authorities there be so angry about the H and C coup that they are particularly tough in negotiating terms? And what is to become of London Sumatra? H and C successfully fended off the McLeod-Sipef bid but still has not obtained legal control.

### Albright struggle

Tenneco's £97m offer for the shares it does not already own in Albright and Wilson was rejected by both the Albright board and company employees during the week.

The board and its adviser, Hill Samuel, issued a statement claiming the bid is "inadequate and falls short, by a substantial margin, of the level at which an offer, if made, could be recommended to stockholders." The Board did not, however, slam the door on the possibility of a higher, negotiated bid.

The unions voiced their opposition early in the week and on Thursday a delegation visited the Office of Fair Trading to urge it to refer the bid to the Monopolies Commission. The OFT is looking into the case and is expected to make its recommendation known within the next ten days.

Tenneco first took an interest in Albright when it acquired a 10 per cent stake through the market in 1969. When Albright got into difficulties in the early 1970s following its decision to locate a major part of its production in Newfoundland Tenneco stepped forward and provided a £17.5m loan in the form of convertible loan stock.

Tenneco exercised its major conversion rights in December, 1974 and took its stake in Albright to the existing level of 49.8 per cent. It stopped short of a complete conversion that would have given it a holding

### U.K. INDICES

| Average week to | June 9 | June 2 | May 26 |
|---|---|---|---|
| **FINANCIAL TIMES** | | | |
| Govt. Secs. | 69.35 | 69.83 | 70.31 |
| Fixed Interest | 71.08 | 71.64 | 71.95 |
| Indust. Ord. | 472.7 | 476.2 | 473.4 |
| Gold Mines | 157.1 | 154.4 | 153.9 |
| Dealings mkd. | 4,735 | 4,686 | 4,979 |
| **FT ACTUARIES** | | | |
| Capital Gds. | 214.14 | 214.03 | 211.90 |
| Consumer (Durable) | 196.14 | 195.84 | 193.79 |
| Cons. (Non-Durable) | 201.45 | 202.80 | 201.31 |
| Ind. Group | 210.28 | 211.25 | 209.39 |
| 500-Share | 233.68 | 234.81 | 233.11 |
| Financial Gp. | 163.34 | 164.47 | 164.79 |
| All-Share | 215.34 | 216.13 | 214.87 |
| Red. Debs. | 57.03 | 57.32 | 57.40 |

## Institutional buyers out in force

### NEW YORK

JOHN WYLES

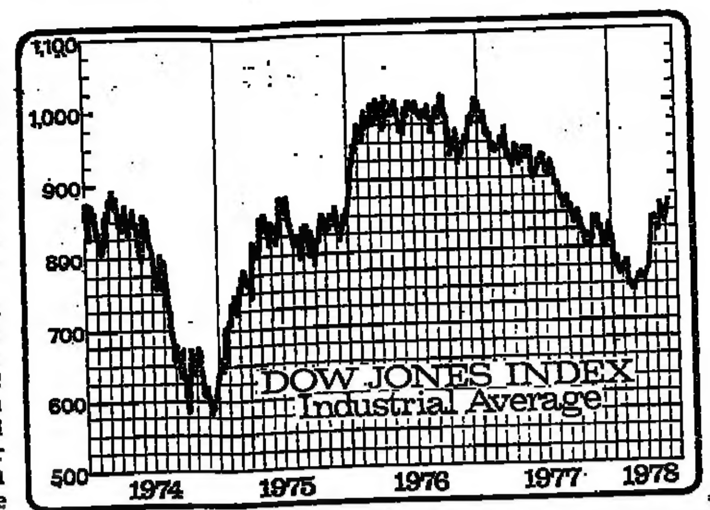
WALL STREET came to work on Monday morning with some trepidation because many of its technical analysts had pored over their charts and concluded that June would probably not be a month during which the market would continue the process of "bursting out all over" which began in mid-April.

This was a pleasing prospect to the many institutional fund managers whose scepticism about the economic outlook and pessimism about the short term future of the stock market had kept their hands in their pockets when all around them seemed at one time in late April to be buying stocks.

Mutual Fund cash to asset ratio actually increased from 9.8 per cent to 9.9 per cent between the end of March and the end of April and although the institutions were heavy traders last month the number which actually increased the ratio of common stocks in their portfolios was by no means vast.

Unfortunately for the fund managers, they do face a sort of Day of Judgment on June 30 when the current quarterly reporting period closes. Those who have not increased their holdings of Common Stocks during the first significant market rally since early 1976 may have some explaining to do and as a result many money managers were hoping for a dip in the market so they could climb aboard.

However, the market refused to be so accommodating and Monday's 16.29 surge in the Dow Jones Industrial Average sent a tremor through the "Herd"—Wall Street's favourite and non too complimentary sobriquet for the institutions. By Tuesday morning they were there in force and by the end of the day the NY Stock Exchange had enjoyed its third heaviest trading day on record. But the 51.97m shares traded resulted in only a modest 2.68 increase in the Dow Jones Industrial Average because a spurt of 10.82 by 2.30 pm proved irresistible to profit-taking.




This in itself reveals a certain lack of confidence in the fact that the market is set on a steady climb and the analysis that the near term business outlook is too uncertain to justify an inordinate enthusiasm for common stocks was strengthened by the latest money supply figures published yesterday.

These showed a near record $4.2bn increase in the M1 measure of currency in circulation plus current bank accounts and tarnished some of the optimism about the near term outlook for short term interest rates which lay behind the market gains of last Friday and Monday. Up to now investors have been uncharacteristically sanguine about the rise in short term interests rates which has formed the backcloth to the current rally. But this attitude may not survive another Federal Reserve inspired boost to short rates.

The institutional activity centred this week on the traditional glamour stocks which have been out of favour for a couple of years. IBM, Xerox, Polaroid, Johnson and Johnson have all been in demand. So also have Californian savings and loan associations which are thought likely to do well out of the landmark "taxpayers revolt" in that state on Thursday when voters eliminated $7bn a year of property taxes. On Wall Street this was thought likely to substantially boost demand for home mortgage money and therefore the profitability of those who provide it.

| | Close | Change |
|---|---|---|
| Monday | 863.83 | +16.29 |
| Tuesday | 866.51 | +2.68 |
| Wednesday | 861.92 | —4.59 |
| Thursday | 862.09 | +0.17 |
| Friday | 859.23 | —2.86 |

# FINANCE AND THE FAMILY

## Discretionary trust tax

BY OUR LEGAL STAFF

**I set up a discretionary trust in 1971 for my daughter, now 14½ years old, to finish when she is 23. Do I have to do anything before 1980 in this case, to minimise capital transfer tax? What sort of tax income or capital gains am I likely to have to pay over the 10-year period?**

Presumably you have checked that the 1971 settlement fulfils the conditions set out in paragraph 15 of schedule 5 to the Finance Act 1975 (as amended by section 106 of the Finance Act 1976), so as to qualify for relief from CTT.

Income arising from gifts made to your daughter would be taxable as part of your own income, under section 437 of the Income and Corporation Taxes Act 1970 (as amended by section 16 of the Finance Act 1971), as would distributions by the trustees. Income arising to the trustees will be taxable at the flat rate of 49 per cent (at present), under section 16 of the Finance Act 1973.

Capital gains arising to your daughter will be subject to CGT at the rates proposed in clause 35 of the Finance Bill (as published on April 20): First £1,000 at nil; Next £4,000 at 15 per cent; Next £4,500 at 50 per cent; Remainder at 30 per cent. Capital gains arising to the trustees (including the gain deemed to arise on your daughter's 23rd birthday, under section 25(3) of the Finance Act 1965) will be subject to CGT at the flat rate of 30 per cent.

You are likely to find it a false economy to try to dispense with professional guidance. No doubt the solicitor who acted for you in setting up the trust in 1971 would be best placed to advise you in detail.

*No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.*

## A fault in a new house

**I bought a house last year from a development company. There has been trouble with down draught which has damaged the decorations among other things. The developers have not actually refused to do anything about it, but they say there is no certain cure. Is there anything further I can do?**

If your house purchase included a NHBC certificate you should notify in writing the company or person named as the vendor on your certificate and agreement and require them, or failing them the NHBC, to rectify the fault. Otherwise there is no recourse.

## Defeating knock for knock

**My car, which was nearly new, was recently damaged in an accident in which the other driver admitted it was his fault. My insurance company will not exchange the damaged car for a new one. If I were to trade it in at a later date, would I have any claim on the company for the difference between the trade-in price and the price I would have obtained had the car not been involved in an accident?**

**My company has a knock for knock agreement with the other company concerned and this seems to work much to my disadvantage. I suffered bruises and am put to the trouble of claiming the first £25 I am required to pay under my contract from the other party's insurance. What do you think it best to do under such circumstances as these?**

We think that you would not be able to claim on your insurance for the notional (or actual) depreciation in value arising from the fact that the car would be a repaired car rather than one which had never been damaged.

A knock for knock agreement can certainly work to the disadvantage of a wholly innocent insured. If that innocence can be clearly established the better course is not to claim on your insurance but to make the whole claim on the party who is at fault. However, if you do claim on your insurer you may need to seek against the other driver both the excess and the loss of your no-claims bonus.

## An intestate's estate

**A widow died intestate. Her only child, a daughter, cannot be traced, but the daughter's children can. After expenses, there is £200 left. What should be done with it?**

Although you do not state what attempts have been made to trace the daughter, or when she was last heard of, the sum is so small that it would be improvident to apply to the court, even the County Court. The best course is to distribute the sum equally among the daughter's children taking from each of them an indemnity and undertaking to repay the sum paid to him or her in the event of the daughter or her estate making a claim for it.

## An appeal out of time

**I was given wrong advice by a barrister, subsequently admitted, as to when an appeal against a wrong decision of a chairman, on an industrial tribunal could be lodged. Owing to the time limit for appeals, this may cause me to lose a lot of money. What can I do?**

You can apply for leave to appeal out of time, stating that the misleading advice led to your failure to appeal in time. If you are unsuccessful, you may seek to refer the matter to the Council on Tribunals.

## A day out for children

**Purely for the fun of doing so, I sometimes take my neighbour's young children for a day out at my own expense. Should an accident occur, could the children's parents claim against me?**

A claim certainly could arise, depending on the actual circumstances of any accident. Insurance against personal injury liability is inexpensive and strongly advisable. Many comprehensive household policies include such insurance automatically.

## Nuisance in Scottish Law

**Four large dogs who are rarely exercised are kept in the small garden next to mine, with the result that the smell is such that sitting outside is impossible and even inside with the windows shut, it can be very unpleasant in the kitchen and living room. For the tenants of council property there are certain rules regarding the keeping of pets, disposing of rubbish etc. Do any such rules apply to owner occupied property in Scotland? Have I any remedy?**

In our opinion the behaviour of your neighbours in connection with their dogs is so offensive that it amounts to what is known in Scottish Law as "a nuisance." The remedy that the offended person has is to raise proceedings in Court for interdict against the perpetrators of the nuisance ordaining the Court to pronounce an order terminating it.

There is abundant case law dealing with the law of nuisance and it has been clearly held by the Courts that even the normal and familiar use by a neighbour of his own property may amount in law to a nuisance which can be terminated by interdict. Your neighbour's behaviour in keeping dogs may well fall into this category as, whilst it is a legitimate and normal use of their property, carried to extremes it becomes none the less a legal wrong.

We might also add that some titles under which property is held in Scotland regulate the use of the property for keeping pets. This would only be likely to be found in a comparatively new housing development and if your neighbour's property is an older one—it would be most unlikely that such a prohibition would be incorporated.

However, it might be well worth having your Solicitor check the title deeds and also advise you in more detail about the possibility of raising Court action.

## Indexation of policies

INSURANCE

JOHN PHILIP

THIS WEEK has seen the publication in *Money Which?* of the Consumers' Association's latest report on house buildings insurance. This report is very much an up-dating exercise and there is nothing exceptional, nothing trenchant, in the commentary on the wares of some 60 company insurers and of Lloyds' Underwriters.

On two pages of the report there are listed the prinicpal features of these wares, in tabular form, and it is surprising to see that less than half of the insurers providing information for Consumers' Association, are offering their policyholders index linking. However, all the major companies are in the ranks of the index linkers and so it is likely that around three out of every four home policyholders can enjoy index linking if they so wish.

Presumably those insurers not yet offering index linking have either not enough business to justify the step or have not yet solved the computer problems posed by the need to alter at renewal, both sums insured and premiums, by percentages that vary from month to month.

Insurers use two indices, one for buildings, one for contents—and a month by month review of these indices shows that at any particular moment one can be ahead of the other, though in the longer term they move broadly in step. On the buildings side most insurers use the Housing Cost Index prepared each month by the Royal Institution of Chartered Surveyors which is published in the magazine *Building*: incidentally subscribers to *Money Which?* can keep an eye on this index as its movement each quarter is recorded therein.

The contents index most commonly used is the Durable Household Goods section of the general Index of Retail Prices. The movement of this index is recorded in the Department of Employment Gazette which is published once a month by HMSO.

Index linking is good both for policyholder and insurer so long as the sum insured, be it on buildings or contents, is adequate at the start of the insurance year. If it is not, then index linking does not protect either party against under insurance, so that insurers can still lose out on premium and the policyholder in the event of loss can be short of cover.

Moreover, even when the initial sum insured is as adequate as may be, the policyholder must remember to increase his sum insured to accommodate any mid-term change of risk, say on the contents on the acquisition of expensive new appliances and furniture. Indexation cannot take any account of change of risk not notified to insurers and on the acquisition of new property the policyholder must arrange a new sum insured to which the index can be attached.

Particularly last year most of the major companies mounted substantial campaigns to persuade policyholders both to increase sums insured and to index link those sums. Of those policyholders given the opportunity, it seems that between 80 per cent and 90 per cent have gone over to index linking, which speaks volumes for the common sense of the majority in their acceptance of the best way yet to keep cover as far as possible in step with inflation.

But indexation does produce its own problems because the indices used are averages, hybrids, produced on a national basis. Particularly in the building sphere there are local variations both above and below the national figure.

Insurers recognise these variations but hold that it is not administratively possible to provide cover and renewals related precisely to local conditions.

So the index-linked buildings policyholder must remember that his sum insured is still the maximum amount insurers pay in the event of total destruction and that if local costs happen to be above the national average he may still, despite indexation, have to dip into his own funds to a small extent.

The Durable Household Goods section of the RPI is an average of the movement of prices for three groups of goods—furniture, floor coverings and soft furnishings—radio, TV and other household appliances—pottery, glassware and hardware. As at April 18, the date used for the D of E's May review, this particular section of the index had moved up by 10 per cent over the last 12 months. Other sections of the RPI, which insurers do not use, deal with such items as clothing and footwear, fuel and light, transport and miscellaneous goods, and as of mid-April none of these sections, other than the section dealing with services, were showing more than a 10 per cent increase in the 12 months.

Many insurers nowadays offer policyholders the opportunity of insuring, within their home contents policies, jewellery and other valuables against "all risks": this facility saves insurers' administrative costs because only one policy is issued, but can provide the incautious index linked policyholder with an unwelcome surprise when he makes a claim. This is because the prices of jewellery and valuables do not necessarily move in step with either the Durable Household Goods section or any other section of the RPI.

Anyone with something special in the way of possessions, a collector perhaps, gets some protection from indexation against price movements, but he must regularly review his various sums insured for adequacy having regard to market price movements of those special items in which he is interested.

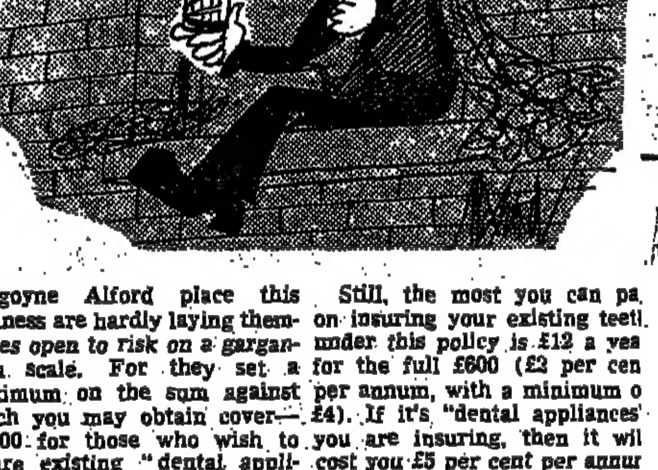
With valuables, collections and so on, as with other property, it is standard practice for insurers to agree a particular sum insured per item or collection and this, subject to any indexation is the monetary limit during the year beyond which insurers will not pay in the event of total loss or destruction.

It is therefore prudent for the index linked policyholder insuring such special possessions, to fix sums insured with sufficient headroom to accommodate the likely movement of market values based on his past experience—and if he is short on experience to get expert advice. Of course he may find that he is able to rely fairly substantially on RPI indexation—if so all well and good. But it is foolish to rely in ignorance and to be short of cover when the loss occurs.

## To keep that certain smile

DENTISTRY

ADRIENNE GLEESON



AT THE TENDER age of 12 I had the nerves in two top front teeth cut by an impatient and clumsy dentist; and the teeth themselves proceded to fall to bits. Many years and several sets of plastic NHS replacements later, I have just had the damage to this and the surrounding area expensively put right. Four caps and two bridges, porcelain on a gold base for strength cost £550; and it came out of my own pocket. (You try asking for that sort of workmanship on the National Health). I have subsequently developed an unnerving habit of slipping on stairs, and total strangers an unnerving habit of putting elbows in my face in crowded places. So last week I decided that my pristine canines and pre-molars had better be insured.

For all their familairity with pianists' fingers and actresses' legs, the idea provoked hilarity, initially, at Lloyds'. But let us give the much maligned members of that institution their due. For all their inability to settle their multi-million pound external squabbles, they can, at a price, insure *anything*. My teeth presented no problem.

In fact Lloyds' brokers Burgoyne, Alford and Co. make something of a speciality of it, insuring teeth. Not, kindly note, just "dental appliances," which is the polite way of talking about the false variety. They will also arrange insurance against the cost of replacing your very own munchers, should they be damaged to the detriment of your appearance by "external and visible means"—which is to say, in an accident.

Mind you, your munchers need to be in good order in the first place—the brokers require a certificate from your dentist to that effect.

And you won't get very much sympathy, or any money, if our teeth — your own, or those dazzling examples of the dental art with which they have been replaced—fall to bits beneath the normal pressures of wear and tear and gradual deterioration, or the entirely abnormal pressures of war or radioactivity. That apart, however, the only exclusion clause to either contract concerns faulty workmanship (in the case of the artificial variety), or dental error during the course of treatment.

It has to be said that the underwriters with whom Burgoyne Alford place this business are hardly laying themselves open to risk on a gargantuan scale. For they set a maximum on the sum against which you may obtain cover—£2,000 for those who wish to insure existing "dental appliances," and a mere £600—or £50 a tooth—for those who have full complement of their own and wish to insure against the risk of losing it. That is to say, you don't get anything for the teeth in excess of a dozen broken; and what you do get (within that number) is not likely to cover the full cost of replacement—not, at any rate, replacement in porcelain and gold.

Still, the most you can pay on insuring your existing teeth under this policy is £12 a year for the full £600 (£2 per cent per annum, with a minimum of £4). If it's "dental appliances" you are insuring, then it will cost you £5 per cent per annum (with a minimum of £4).

You should bear in mind however, that the cost of workmanship and raw materials is likely to rise with the years, so that the sum insured needs to be increased from time to time. Index-linked teeth are, as yet an unknown quantity. For myself, I am wondering just how much my dentist will charge for an annual valuation. . . .

## New friends, old interests

MINING

PAUL CHEESERIGHT

TO PARAPHRASE that favoured 'A' level aphorism about foreign policy, the mining industry has no permanent friends, only permanent interests. And one of those interests is the desire to invest when it wants and how it wants.

A year or so ago, Mr. Malcolm Fraser, the Prime Minister of Australia, was not exactly a friend. The industry was none too happy about his handling of the economy, thinking it indecisive. But now he is at least an acquaintance who can be greeted with a cheery wave.

His Government has indeed changed the economic atmosphere in Australia—inflation is slowing, interest rates are lower. Last week his Government received parliamentary approval for uranium development Bills, and this week it has introduced more relaxed guidelines on foreign investment.

The object is to attract more capital, so the Government is making less rigid its demands for 51 per cent Australian equity in mineral projects. Where a company has 25 per cent Australian ownership and commits itself towards working for 51 per cent, it will be treated as Australian and permitted to go ahead with new ventures.

Takeovers by overseas groups would still be subject to the **Foreign Investment Review Board** and uranium developments must still have 75 per cent Australian equity. Nevertheless there is a new degree of flexibility in the attitude to foreign capital, and this is precisely what **Rio Tinto-Zinc**, which owns 72.6 per cent of **Conzinc Riotinto of Australia**, has been seeking.

In market terms, the guidelines can help to consolidate the recent rise in prices. While the rally has been fitful this week, the undertone has been firm.

The star has not been a diamond hopeful like **Northern Mining**, but one of the majors, **Western Mining Corporation**, still troubled by the recession on the nickel market. The reason was an announcement, with its joint venturer, **BP Minerals**, of more very encouraging assays from the base metals prospect at Benambra in Victoria.

In the latest diamond drill hole there were copper values of 9.9 per cent, twice as good as those found in an earlier hole. These are early days and there is another two years of drilling to be done before it is known whether there is a small orebody or a large one, or indeed nothing of commercial significance at all.

But there is a cheery optimism about the project which is reflected in the WMC price. It closed yesterday at 148p for a rise on the week of 24p. Indeed, optimism has been catching. It has spread this week out of the Australian sector to **Charter Consolidated**, the London arm of **Anglo American of South Africa**.

Charter's price has been up around its high for the year, closing yesterday at 144p. The reason has been its annual figures for the year to last March. And at one level, they look good. It is in the extraordinary items that the ghosts of the past still rise to haunt the group.

At the pretax level, all is serene. The profit was £43m against £38.7m helped by a £2.47m rise in investment income after it had received a special interim from Anglo American, where it has a direct stake of 6 per cent, and higher dividends from Anamint, where the stake is 10 per cent. Anamint makes a large portion of its money from an interest in De Beers.

Net profits were £28.7m compared with a re-stated £22.59m in the 1976-77 year and the group was able to pay the maximum permitted dividend. The total payments for the year are 8.3p net, after 7.5p the previous year.

But the extraordinary items were £21.66m, more than double those of 1976-77. **Cleveland Potash** is still losing money and up to another £20m will be injected this year by Charter and its partner, **Imperial Chemical Industries**. Production is still only 40 per cent of capacity. The provision is £7.5m.

The swings and roundabouts of currency movements caused a deficit of £8.2m while a further £6m has been provided against the group's investment in **Botswana RST**, which runs another loss-maker, the Selebi-Pikwe nickel and copper project.

One of the major shareholders in Botswana RST is Charter's parent, Anglo American, and it made a provision of R23.1m (£14.6m) to write off its investment, in addition to providing during 1977 a total of R10.36m against its stake in the suspended Tenke-Fungurume copper venture in Zaire.

Anglo has been changing its financial year end to March, so its latest figures cover 15 months, when the net profit was R241.7m (£152.9m) after R89.2m in the 12 months to December 1976. Its final dividend was 25 cents (15.8p), making a total distribution for the 15 months of 45.25 cents, against 33 cents in 1976.

The different lengths of the financial periods make comparisons invalid, especially as the latest 15 months embraces two March quarters—the time of the year when Anglo's dividend revenue is highest. And there is another factor. Anglo has absorbed **Rand Selection**, an investment house in the group, thus appreciably widening its portfolio.

But there is no doubt that Anglo has been doing well in the areas where it is strongest. Gold and uranium account for over a third of its investment income. Uranium prices have remained strong, while the bullion price started 1977 at under $135 an ounce and had climbed to $183 by the end of last March.

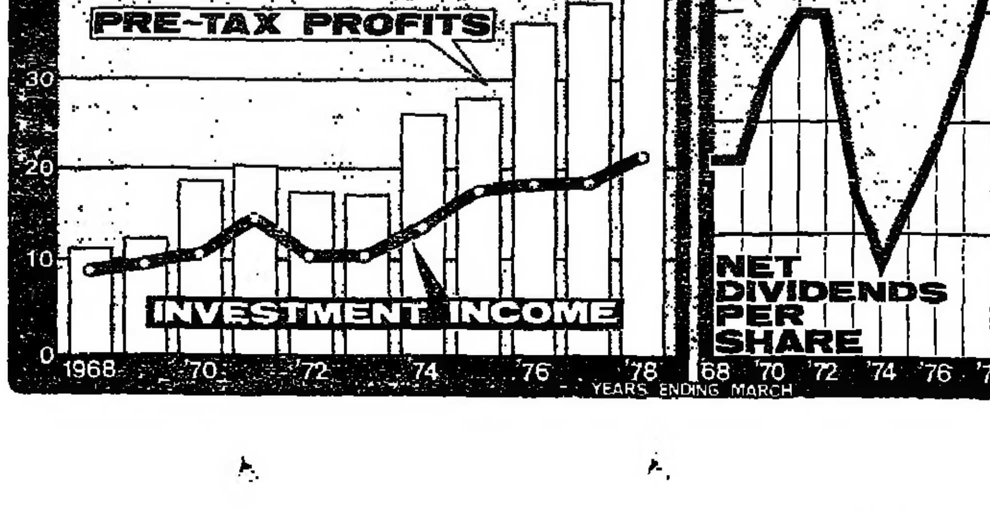
Since then the group will have had little cause for complaint about gold. Although the price did sag to under $170 near the end of April, it has since recovered and yesterday closed at 181.625 an ounce after climbing above $185 at one stage last week.

The gold mining companies can draw some encouragement from the latest International Monetary Fund auction where the average price was $183.09 on the 470,000 ounces sold after bids had been received for 1.07m ounces.

Pressure on their costs remains a constant preoccupation, so there has been some relief that the **Chamber of Mines** was able to hold a wage award down to 6 per cent for white employees. The award is close to the Chamber's opening offer of 4 per cent, and represents a considerable victory. **The Council of Mining Unions** had demanded 17 per cent.

Meanwhile the London gold share market has been quiet but generally firm, although **Randfontein**, the **Johannesburg Consolidated Investment** producer and a favoured high-priced stock, weakened yesterday after its interim dividend announcement. It declared 200 cents (126.3p), and while this was 50 cents more than last year's interim, it compared badly with market forecasts of between 275 cents and 300 cents.

The producer, which declared more than the forecasts was **Hartebeestfontein** of the **Anglovaal** group. Its final was 175 cents, bringing its 1977-78 distribution to 250 cents against 135 cents during the previous year.




## How to get into Cambridge

EDUCATION

MICHAEL DIXON

THE UNIVERSITY of Cambridge is clearly a good place to have come from. The other day, for instance, I met a 21-year-old woman there looking forward to a £4,500 starting salary in Shell's personnel department.

But Cambridge also seems to be the hardest university to get into. So, since some entry routes are easier than others, I have used the latest admission statistics to compile the adjacent "ambitious child's guide to Cambridge entrance."

If you can, be born a boy. Either way, be born into the professional and technical class (which in 1971 constituted 9 per cent. of the parent-aged population), or at least to administrative or managerial parents (7 per cent).

Otherwise, your chance would be only one-sixth as great if your family was manual or agricultural working (21 per cent). If its occupation was other non-manual work, your chance would be only one-twelfth as great. Since parents in the top two groups are increasingly likely to be graduates themselves, university education may effectively soon be hereditary.

Best choice of schools is plain. Acceptance rates seem to be falling with time in the State sector, and rising among independents and "direct grants" most of which are now becoming independent.

Oddly enough, the two best-bet subjects for either sex seem to be associated with independent schooling, too.

### THE CAMBRIDGE UNIVERSITY ENTRANCE STAKES 1977

(All figures show the percentage of people accepted out of total applicants in each category)

**(A) Best bets in choice of family background:**

| MEN Parental occupation | | WOMEN Parental occupation | |
|---|---|---|---|
| Professional and technical | 47.1 | Professional and technical | 32.[illegible] |
| Administrators and managers | 46.2 | Overall average | 29.[illegible] |
| Overall average | 45.1 | Administrators and managers | 28.[illegible] |
| Manual and agricultural | 44.0 | Other non-manual | 25.[illegible] |
| Other non-manual | 40.3 | Manual and agricultural | 24.[illegible] |

**(B) Best bets in choice of schools to go to:**

| MEN Type of secondary education to Advanced level | | WOMEN Type of secondary education to Advanced level | |
|---|---|---|---|
| Independent | 54.8 | "Direct grant" | 42.[illegible] |
| "Direct grant" | 53.6 | Independent | 35.[illegible] |
| Overall average | 45.1 | Overall average | 29.[illegible] |
| Scottish and Irish | 42.1 | State-maintained England and Wales | 25.[illegible] |
| State-maintained England and Wales | 40.0 | Scottish and Irish | 23.[illegible] |
| Further education colleges | 24.1 | Other and overseas | 23.[illegible] |
| Other and overseas | 22.6 | Further education colleges | 15.[illegible] |

**(C) Best bets in choice of subjects to apply for:**

| MEN University subject | | WOMEN University subject | |
|---|---|---|---|
| Classics | 77.6 | Classics | 67.[illegible] |
| Theology | 58.6 | Philosophy | 50.[illegible] |
| Modern languages | 56.8 | Mathematics/physics | 44.[illegible] |
| Mathematics/physics | 55.2 | Geography | 40.[illegible] |
| Oriental studies | 55.0 | Archaeology and anthropology | 35.[illegible] |
| Mathematics | 53.0 | Engineering | 34.[illegible] |
| Music | 46.3 | History | 33.[illegible] |
| Law | 46.1 | Mathematics | 32.[illegible] |
| Natural sciences | 45.5 | Oriental studies | 32.[illegible] |
| History | 45.4 | Natural sciences | 32.[illegible] |
| English | 45.3 | Economics | 31.[illegible] |
| Overall average | 45.1 | Architecture | 30.[illegible] |
| Geography | 43.8 | Overall average | 29.[illegible] |
| Engineering | 43.7 | Modern languages | 27.4 |
| Economics | 43.6 | Medical sciences | 26.6 |
| Archaeology and anthropology | 38.9 | Theology | 26.0 |
| Architecture | 36.0 | Law | 23.0 |
| Philosophy | 35.0 | English | 22.0 |
| Medical sciences | 31.9 | Veterinary medicine | 17.8 |
| Veterinary medicine | 28.6 | Music | 16.2 |

# YOUR SAVINGS AND INVESTMENTS

## Timing retirement

### PENSIONS
ERIC SHORT

INTEREST RATES are standing at their highest levels for the year. So the advice given earlier on, that investors thinking of buying an annuity should wait, has been profitable for them. The numbers of investors buying annuities tends to be limited; but many more people who are self-employed, and who are reaching retirement, may not realise that similar considerations apply to them. They, too, should watch interest rates in order to maximise their pensions.

The basic method of providing a self-employed pension, whatever the form in which it is dressed-up, is simply to accumulate a fund from investment of the contributions, and use the sum so accumulated to purchase an annuity at the time of retirement. The contracts contain a guaranteed set of minimum annuity rates, but current rates are far higher than the underlying guarantee.

With annuity rates fluctuating with changing interest rates, the self-employed will get a higher pension per unit of the underlying fund when interest rates are high than when they are low. For example, an investor with Scottish Life, retiring now at 65 and having paid 15 years' premiums of £100, could expect to receive £546.60 p.a., whereas one retiring three months ago at the same age, having paid the same premiums and received the same bonuses could have expected to receive £521.76 p.a. And once it has been taken, the size of the pension will not change.

The self-employed have considerable flexibility over the time at which they take their pension. Unlike people who are employed, they can cash in their contracts and start drawing their pensions while still working. Also, many of them have a period during which they can choose the time of their departure from their business, unlike most employed persons who have to stop work on a given day. They should use this flexibility to maximum advantage.

If interest rates are low, but expected to rise, then it would pay to defer retirement. Conversely if rates are high it may well pay to cash-in early. Life companies are now introducing a facility whereby investors can cash-in part of their contract, so someone needing a part at least of his pension could cash-in such a part at one point and the rest later when conditions were more favourable.

Life companies cannot really be expected to advise investors on their timing. The advice should come from the individual's personal adviser—insurance broker, accountant or solicitor. The article below deals with the growing role of insurance brokers in giving investment advice. This could be another service to the self-employed.

## Act now for income

DISMAL THOUGH the week's news may have been for those of us who need to borrow, for those with money to lend it has been very good indeed. Everything is running in favour of those who want to invest their capital for income. And they should take advantage of these circumstances. Now.

How they should take advantage of them is, however, a rather more difficult matter. As the table indicates, if you want income above all else the best way to achieve it—now and always—is by taking out an annuity. But though the return is high—higher than it appears, because part of it is tax free, too—it does mean that the investor and his (or her) heirs must abandon all claim to the capital so committed. So what do you do if you are not prepared to make the sacrifice?

Well, you could go into gilts. Of those shown in the table—all of which are on the National Savings Stock Register, which means that they can be obtained at a minmum cost in terms of commission, and that the income will come to you gross—the two long-dated stocks offer a better return than can be obtained, with commensurate safety, anywhere else. But there are two drawbacks to be faced in buying them.

The first is obvous enough: that both are priced above their par value. That means that if you hold them to maturity you will get back less, in the way of nominal capital, than you put in in the first place. But given that you will enjoy a very high income in the meantime, that should not bother you unduly.

The second drawback is more serious. The income arising on investment in a gilt will be static. And even though, with this latest package of governmental measures, we appear to have weathered an economic crisis again it cannot be assumed that prices will be static too. If you assume that inflation will be runnin gat an average of 10 per cent per annum through the next decade, the £1,320 a year you can look for now from a £10,000 investment in Treasury 15¼ per cent 1996, will be worth only just over £400 in present-day terms by 1988.

Moral: you need an income that will not only keep you now, but will rise in future. There are two ways of achieving that. On the one hand you can keep your options open by limiting the duration of your investment. Under normal circumstances, if you wanted to take that course you would have to accept a sizeable penaltyin terms of income, but at the moment that is not the case. You should put your money into a three year term share with a building society, or even better, a two year negotiable local authority bond, at well over 11 per cent.

The risk you take with this course is that interest rates will be much lower by the time this investment matures: and when you come to reinvest the proceeds you will have to content yourself with a lower income. Much better, really, to put the money into something where you can be reasonably certain that, though the income may start off at a relatively low level, it will increase: and that means equities. The high income funds—Gartmore is on the point of launching another at just over 9 per cent—may be less attractive than gilts in terms of immediate income: but for anyone looking for income over the longer term they should prove a considerably better buy.

FOR INCOME SEEKERS

| | % return (gross) |
|---|---|
| **Gilts*** | |
| Treasury 10½% 1979 | 10.5 |
| Treasury 9¾% 1981 | 10.1 |
| Exchequer 12¼% 1992 | 12.2 |
| Treasury 15¼% 1996 | 13.2 |
| Treasury 15½% 1998 | 12.9 |
| **Local authority "yearlings"** | |
| One year | 10.25 |
| Two years | 11.38 |
| Three years | 11.75 |
| **FFI** | |
| Three years | 10.75 |
| Five years | 11.25 |
| Ten years | 12.50 |
| **Building societies†** | |
| Share accounts | 10.15‡ |
| Three year term | 11.40‡ |
| High income bonds† | 8.50 |
| High income funds† | 8-9.00§ |
| British Savings Bonds | 8.50 |
| Annuities (for example) Scottish Life: male aged 65: | 16.44 |

*Thursday's prices. †Rates vary. ‡Tax paid. §All equity funds.

## New field for life brokers

LIFE ASSURANCE broking is now expanding into the field of investment advice. This is the conclusion to be drawn from figures presented by Towry Law, the Windsor-based insurance brokers. For the first time they have given a breakdown of their new business pattern by commission. The table is shown below. and the company intend to issue the figures at regular intervals.

Over one-third of its business—single premium bonds and unit trusts—is pure investment. The life assurance broking business involved is minimal. And other major life brokers are reporting a similar pattern of business. But how well equipped are brokers to give investment advice? And should such business be confined to specialists, and left alone by the small high street broker?

These are two questions facing life asurance brokers at a time when they are trying to show the public that brokers have at least a minimum of expertise and experience. An even more pertinent question is how brokers should be remunerated for providing an investment advice service.

Towry Law has thought long and hard on all three questions. As to the expertise, it has taken the view that it cannot afford to operate an investment advice department staffed by professionals. It therefore seeks outside advice on an regular consultancy basis, using stockbrokers Hoare, Govett for unit trust advice and paying a fee for the service. Various officials in Towry Law talk to investment managers of the life companies with which it deals. And the company is flooded with brokers' circulars from life companies, large and small, setting out their thinking on the current investment scene.

Towry Law's answer to the question of remuneration is that clients cannot reasonably be charged a fee for the service at this stage. It is difficult to justify charging a fee when the advice is to do nothing. Towry Law believes that life companies, instead, should consider remunerating the broker, but other brokers are not so inhibited on this subject.

| | % of all new business |
|---|---|
| Single premium bonds | 25 |
| Whole life assurance | 14 |
| Unit trust business | 10 |
| Executive pension schemes | 10 |
| Self-employed pensions | 10 |
| Flexible endowment policies | 5 |
| Endowment assurance policies | 8 |
| Capital school fees plans | 5 |
| All other types of business | 13 |

The Life and Pensions department of J. H. Minet has just launched a financial planning service for clients, and has no qualms about charging an annual fee (and additional charges for some services). Some small financial planners offering an investment service and putting people into life assurance bonds charge a fee quite unabashed. We have written several times on switching funds to maximise returns, and who else can advise clients but the insurance brokers?

The brokers are adamant on one point. Their advice is non-discretionary: that is, they will give advice but the client has to accept responsibility for taking it, and he is always free to reject it.

The question of whether the small high street broker, without investment training, should be in this field is a contentious one. Surely such brokers should make use of life company circulars, but surely, too, they should inform the client that they are not experts. It may be unrealistic to hope for that, but it would be the honest course.

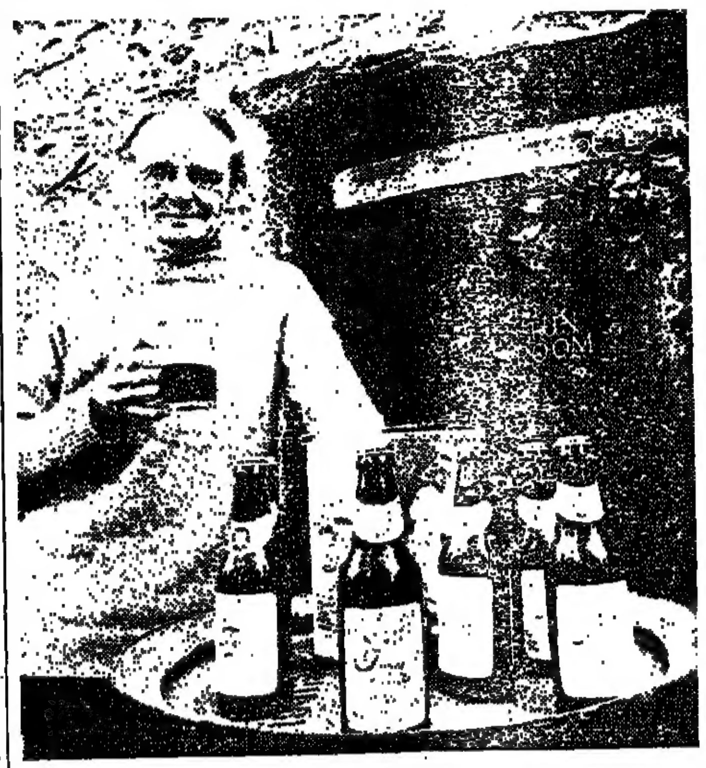
## Stockbrokers tie up gilt bond

"SMALL IS BEAUTIFUL." The government has been converted to this view, at least in respect of small businesses. And stockbrokers are now showing signs of the same conversion. Where before they might have actively discouraged the smaller investor—if only by pointing out how expensive dealing costs are—they are now trying much more positively to cope with his requirements.

In order to minimise the impact of dealing costs, some firms of stockbrokers have for years operated in-house unit trusts, into which their smaller equity clients were encouraged to put their money. But the vehicle has never been available for gilt-edged investment. The problems encountered by Target in respect of its unique, authorised gilt-edged fund have illustrated how penalising the tax provisions relating to this form of investment are. Investing through a life assurance company's gilt bond is, however, a completely different proposition: the tax disincentives don't exist. Stockbrokers Kemp-Gee have now taken advantage of the fact to offer a gilt service to their smaller clients.

The brokers have linked up with Lloyd's Life to run an "in-house" gilt fund. This is simply a gilt fund in the name of Lloyd's Life, but with the investment management completely in the hands of Kemp-Gee. Thus the brokers' smaller clients will receive their gilt-edged investment management without having to face heavy dealing charges. But there are tax advantages as well, applicable to life assurance funds, compared with direct investment.

The fund only pays 37½ per cent on income, less expenses, and has the benefit of dealing in larger lines of stock. Clients seeking income, then can use the withdrawal facility on the bond—if they withdraw up to 5 per cent tax is deferred. However, there are some drawbacks applicable to gilt bonds in general: On eventual cash-in, the investor is subject to higher rate tax on gains, whereas if he had invested directly in low coupon gilts, his ultimate capital gains would be tax free.



The 20th Laird of Traquair: brewing


Pictures: British Tourist Authority

## An individualist's brew

### GOING SOLO
TIMOTHY DICKSON

IF YOU brew your own beer, why not cash in on the current craving for real ale?

CAMRA's done it. The big brewers are doing it. And there is no reason why you, with a bit of money to buy the equipment, should not blaze a trial with your very own brand.

Obviously it is a help if there is some sort of outlet at hand and you do not have to rely on a few thirsty friends to provide some return on your investment. So it is no surprise to learn that virtually all the commercial "one-man bands" in the brewing industry are either publicans or restaurateurs.

I say "virtually" because the 20th Laird of Traquair fits no easy category, and indeed, best exemplifies the individualistic spirit of a commercial sector which until recently was almost completely dominated by the big beer barons. For about 10 years now Peter Maxwell Stuart, owner of the oldest inhabited castle in Scotland, has been producing what he claims is the strongest brew in the UK. Traquair House Ale, and Traquair Naturally Conditioned, were in fact born by accident after he discovered three old copper 18th-century fermenting vessels hiding under generations of debris in a forgotten outhouse.

These vessels, says the canny laird, impart that little bit of "je ne sais quoi" to his beer, and together with clear spring water, malted barley, hops and yeast from the nearby Belhaven brewery, provide an undoubted recipe for success.

Peter Maxwell Stuart may be one of the more colourful and ambitious of the private brewers, but he is by no means alone. In the past two to three years, in fact, there has been a remarkable growth in the number of tiny beer entrepreneurs.

According to CAMRA (the Campaign for Real Ale) there were, until relatively recently, only four known pubs in the UK brewing their own concoction for strictly local consumption. Two are in Shropshire, one is in the West Midlands village of Dudley, and the other is tucked away in the Cornish community of Helston.

This picture, however, now seems to have changed dramatically. The 1978 CAMRA year book now lists at least ten pubs and restaurants where beer is brewed either on or exclusively for the premises where it is drunk. Take the John Thompson Inn, for example, in the Derbyshire village of Melbourne, where the brewing of JT Special (no prizes for guessing what the initials stand for) began on Jubilee Day last year. John Thompson now sells about 36 gallons of his own beer a week, including a lager at 34p a pint.

By contrast, there is Eliza Lewis, 71-year-old proprietor of the All Nations at Telford, Shropshire. She uses a recipe developed by her father well before the First World War, and at 23p a pint she sells 330 gallons a week. Drinkers, she claims, come from near and far and, boosted by visitors to the nearby museum, trade has picked up significantly in the past two or three years.

Real Ale hysteria is not the only catalyst in this mini revival of "brewing your own" for sale to third parties. Quite clearly, it provides a lifestyle most of the new participants enjoy. There are even some commercial factors. With the increasing cost of a pint, the small operator with no advertising, distribution, and administrative costs can quite possibly undercut one of the large brewers and still make a profit.

There are problems, of course. After acquiring all the equipment, one of the biggest could come in the form of a local Customs and Excise official. If you are going to brew for sale, first of all you will have to apply for a brewing licence under section 127 of the 1952 Customs and Excise Act. Armed with this (which costs £16), you then have to comply with the Beer Regulations of the same year. There are nine parts to these, consisting of no less than 72 separate and highly technical regulations which relate to matters such as the brewing process, storage arrangements and measurement facilities. In the process of working your way through these you'll learn about Mach tonnes, drawback (or spilt beer), and discover that the Excise officer collects his duty at the Wort stage (which, for the uninitiated, is prior to fermentation). Duty, incidentally, is calculated by measuring the ale's strength or specific gravity. Regular inspections of your premises will be made, and you are required to notify the Customs and Excise officer 24 hours in advance of any brew. He is entitled to make spot checks during this period.

You may also have difficulty producing a beer which has uniform characteristics—so your customers may start to complain. And at the end of the day, although you may be making a fairly high percentage profit on each pint, with a limited volume potential you may not feel you're getting a decent return. But if setting up your own brewery should not be taken lightly, don't be put off by the professionals or the Customs and Excise man. You can always take heart from the 20th Laird of Traquair. . . .

# PROPERTY

# Coming back to earth in N.W.8

BY JOE RENNISON

IN THE mini-boom that has just passed—a boom that was by no means universal but confined to rises in, for the most part, the higher priced properties, nowhere saw more spectacular asking prices than St. John's Wood and its environs. Prices are now falling back but it cannot be denied that there were quite a few people cashing in on the publicity about a new 1972 style boom. One of the local companies, Brian Lack and Company of St. John's Wood High Street, gives its reflections on why it happened and why it has come back to normal. Mr. Charles Edmundson of the firm begins by reflecting on the joys of living in the area.

One of the main reasons that people chose to live around St. John's Wood is the proximity to excellent shopping. Local centres like Hampstead Village and St. John's Wood High Street still offer expensive, but convenient shopping facilities. Many people prefer to make use of Brent Cross for repeat bulk retail purchases. The West End is still popular with overseas visitors but many shoppers cannot face the travelling and sheer mass of crowds.

Local open spaces like Hampstead Heath and Regents Park too, contribute to the popularity of the area. The London Zoo is always a favourite outing for children, and Lord's Cricket Ground is hard to beat for a quiet afternoon on a summer's day for many local people.

The property market is a cyclical business. Values fluctuate but in past years, the performance of property values in Hampstead and St. John's Wood have stood the test of bad times well. Its main strength must point to its geographical location, as well as the historical popularity for the home market purchasers matched against the influx of overseas purchasers, who have not been slow to appreciate the qualities of the general area. What does the future hold in the short and long terms? In the short term, there must, surely, be a reaction to the huge rise in values in the area. And the future?

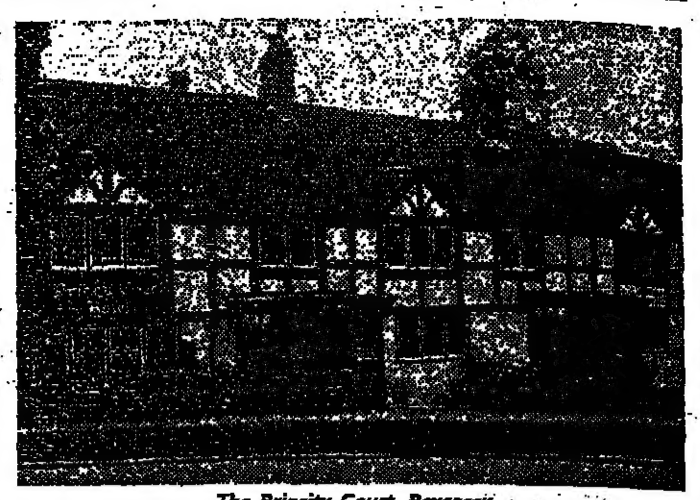
The general belief is that this will take the form of stabilisation for a period of some nine months. The increase in Minimum lending rate and the falling investments going into building societies will, no doubt, cause some sales resistance in the short term. There are many properties currently for sale that are optimistically priced and these will not easily be saleable in the next few months. In the longer term, there is every indication that values will continue to rise. The cost of rebuilding many properties is still more than the present value and, in time, this must correct itself. There is every confidence that buying a home in this area will prove an excellent investment.

The most marked change that they have noted in the past 12 months has, undoubtedly, come from the demand for family housing. In general terms, St. John's Wood represents a high density residential area but, in real terms, there are relatively few family houses for single unit occupation in the whole area. The demand for these houses comes not only from the family unit expanding out of a flat but also from potential buyers wishing to cut their travelling time and costs by moving in from within a 30-mile radius of London.

There has also been strong demand for upmarket family housing from overseas purchasers wishing to settle—after all, England still offers a stable platform in which to bring up and educate a family—at least in relative terms compared with the current hot spots in the world. Overseas companies too have been in the market for this type of unit, to house key staff for their UK operations and many American conglomorates connected to the North Sea oil operation are among those Lacks have dealt with recently. Flats in luxury modern blocks like those along Prince Albert Road continue to appeal to the Middle Eastern buyers. In their part of the world, building materials deteriorate under the climatic conditions at a much faster rate than in our climate and, therefore, many of them are not keen to purchase in the older blocks whose life-span, they believe, will be limited to less than 50 years.

In the home market, flats in the larger blocks are often sold as part of "break-up" projects. This means that where the flats have been previously let, usually unfurnished, the tenants can be offered the chance to buy their flats at largely discounted prices and those flats which are vacant are offered for sale modernised or unmodernised. Several substantial public quoted property companies have been in this kind of operation on blocks in the best parts of St. John's Wood.

Flats in conversions, too, seem very popular. Certain purchasers prefer the idea of living in a smaller block of units of say, four to eight flats, rather than the impersonal feel of larger blocks. It is also true that in conversions outgoings are generally lower but the business of making communal repairs to the property is often left to the tenants to arrange themselves, rather than the managing agents, who, obviously, have to liaise with all the tenants to run the larger blocks.



The Priority Court, Pevensey

They who hanker after being a landlord on a larger scale—and who have more than a few pounds to spare—might consider investing in these two properties—ancient and modern, it is up to you. In most towns a 15th century hotel would be a landmark. The Priory Court at Pevensey is a junior partner in the antiquity stakes compared to its neighbour Pevensey Castle, 1,700 years old and an ancient monument when William the Conqueror landed in Pevensey in 1066. The castle has the additional oddity of being a castle within a castle: when William arrived he decided to build his citadel inside the existing walls.

The castle view is part of the goodwill Brodie Marshall are selling with the Priory Court at an all-in price for the freehold of £125,000. Situated 65 miles from Dover and 15 from Newhaven the hotel has no problems filling its 15 bedrooms, all furnished with period pieces. For the traveller who wants more than the view there is a seven-day week restaurant.

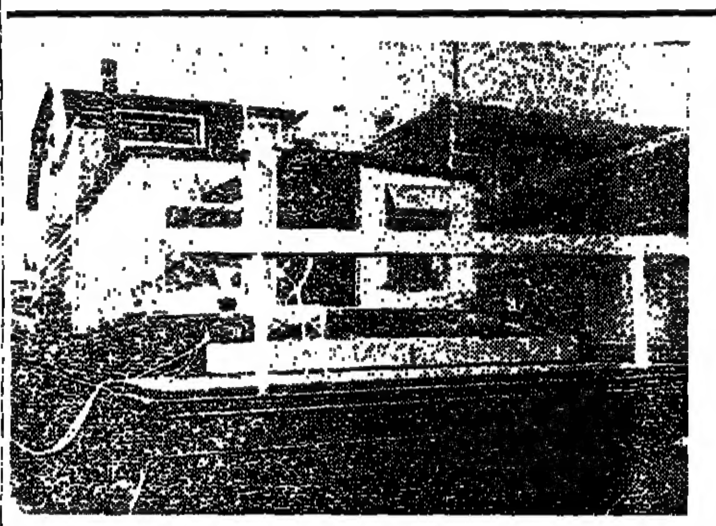
Brodie Marshall and Co. are also offering the Round House Hotel in one of the best areas of Bournemouth for sale at an asking price of £1m on behalf of the owners, Joseph Alnatt Centres, who specialise in owning and operating educational centres for school children throughout the South of England and in Wales.

The hotel was built some eight years ago and comprises 102 bedrooms on the top three floors, each with its own private bathroom, a third floor range of public rooms, conference and functions suites and an integral car park on the lower floors. Brodie's chairman James Nairn opines: "Normally the seasonal nature of most South Coast hotels will tend to put off an intending purchaser but in this case the exceptional combination of modern purpose-built premises and a year-round trade make the Round House a natural—and quite unique in Bournemouth itself."

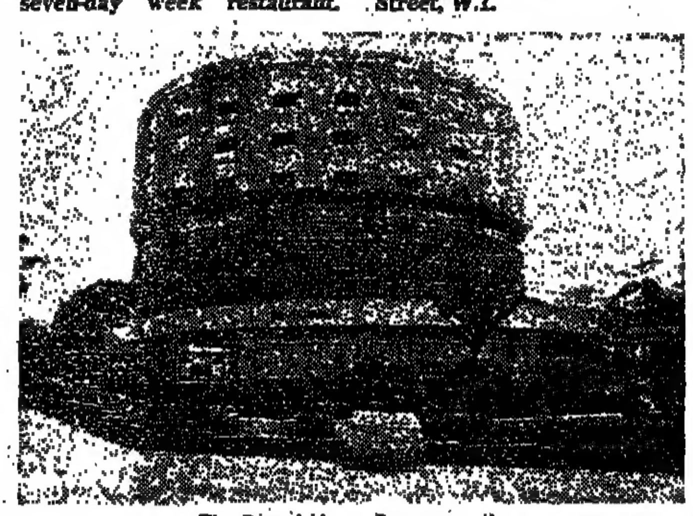
Further information: Brodie Marshall and Co., 66, Bolsover Street, W.1.

## The ghost laid to rest

As I mentioned above the so-called boom was rather limited in its scope, most of the rises happening in the South-East and among higher priced properties. Even there, as the St. John's Wood situation shows it has cooled off. The action yesterday by the Building Societies' Association in putting up the lending rate by 1¼ per cent to 9¾ per cent should finally put paid to the remaining vestiges of boom talk. But I wonder. It is quite remarkable how quickly boom fever is to catch on and how long it takes for it to be finally laid to rest. After the last property boom it took well over a year. Even after the market ceased to rise in the autumn of 1973, after a fairly hectic two years, people were still taking the same attitude almost twelve months later. People will simply not accept that the good times have come to an end. Yesterday's rise in the mortgage rate may well not be the last this year. That and a combination of freeze and squeeze presaged by the Chancellor's moves on Thursday should I hope make this the last time that boom need be mentioned in this column for a long time to come.



For those who fancy a life on the water and seek accommodation at a much cheaper rate than the equivalent on land the following might do. The house boat "Esperance" moored at Cheyne Walk, is for sale at £11,500. Built on a steel hull, the boat has an excellent mooring, allowing views on three sides (over the Thames) from the saloon and a large bedroom. There is also a shower room and galley. The weekly outgoings, including an annual lease on the mooring, rates and services amount to £16. Agents: John German Ralph Pay.



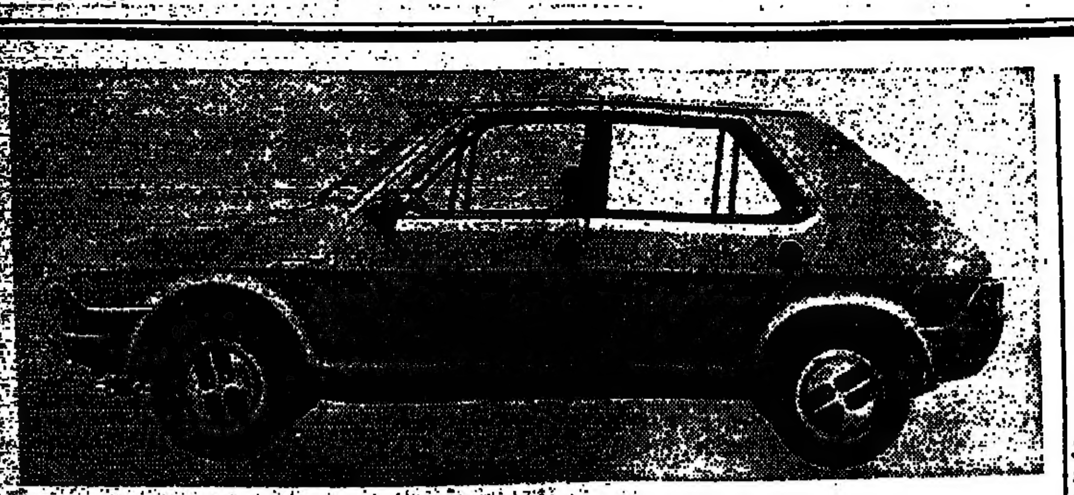
The Round House Bournemouth



# PROPERTY

ESTATES AND FARMS: INVESTMENTS: SHOOTING:
COUNTRY PROPERTY: OVERSEAS PROPERTY:

# MOTORING



Fiat Ritmo

## A question of names

BY STUART MARSHALL

WHAT'S IN A NAME? Quite a lot for a car maker, because the name given to a new model has to be internationally acceptable. Not all of them are.

Consider the Rolls-Royce that succeeded the Silver Cloud III. It was to have been called the Silver Mist. All the brochures had been printed when a panic call came from the Continent to say that "mist" was not a word to be used in polite company in Germany. So Silver Shadow the car became.

Ritmo means rhythm in Italian. In English, nothing. To me it has a cheap and disagreeable sound. Fiat England agonised over their parent company's choice but finally decided to go along with it. So the first Fiat's new generation models, which was unveiled at Turin Show last April and will reach Britain early next year, will be called the Ritmo here, too.

Having tried a couple of Ritmos (the plural is even worse, isn't it?) in Italy last week, I can't see that any name, however unfortunate, is going to harm its prospects. It has everything buyers of "C" category cars (that it, the small/medium family saloon or hatchback) can reasonably require.

More cars of this kind are sold in European countries than any other except for Italy and Spain, where the best sellers are a little smaller due to low wages and sky-high petrol prices.

Fiat researchers reckon that by the early 1980s more than one European car in four will be in the "C" category, and they intend that eight in every 100 of them will be Ritmos.

For Fiat the Ritmo marks a complete break with styling tradition. Other than the X1/9 sports car, it is their first new car for years that one does not know at a glance is a Fiat because of its family resemblance. I thought I detected a hint of VW Passat from the rear quarter and of the Renault 5 from the front. But the overall effect is of a highly original car, modern to the point of being slightly futuristic, yet highly practical.

It makes the boldest use so far in a mass-produced car of very large plastic pressure mouldings to protect the body bumper without expensive panel beating or repainting.

The entire front end from headlamp centreline to aerodynamic spoiler is a single moulding. At the back another one serves as bumper, number plate and rear lamps mounting. The Ritmo's self-coloured plastic nose and tail withstand 4 mph bangs without damage. In heavier impacts, Fiat says it is often enough just to replace the number without expensive panel beating or repainting.

Noting a more rational approach to car design among "C" segment buyers, Fiat makes it clear they are demanding customers. They want small-car economy and executive-car comfort, and silence with ample performance at a reasonable price. Reliability and minimal servicing are taken for granted.

Mechanically the Ritmo breaks little new ground. The engines—a choice of 1,100, 1,300 and 1,500 cc in-line four-cylinders with belt-driven overhead camshaft—have all been developed from the ten-year-old Fiat 128 unit. They deliver 60, 65 and 75 horsepower respectively and the models they go into are called the Ritmo 60, 65 and 75, which even I should have no difficulty in remembering.

The bodies are three or five-door with de-luxe or comfort de-luxe trim; four or five-speed gear boxes are available in the 60 and 65. The 75 has five-speeds as standard or a three-speed automatic transmission. This is supplied by Volkswagen for the time being but Fiat will have their own later.

Most interestingly, Fiat also plan a 1,600 cc diesel Ritmo next year. Taking a leaf out of VW's book, they are "dieselising" the Fiat 132's twin overhead camshaft petrol engine. The cylinder head will be replaced by one with a single overhead camshaft but most of the other parts will be retained, just as they are in the VW Golf's diesel engine.

Apart from being shapely, the Ritmo's body has a very low wind resistance which helps fuel consumption. In fifth gear—a proper overdrive that reduces engine revs by 17 per cent compared with fourth gear—all manual Ritmos do between 33 and 34 mpg at a steady 75 mph. They are all about three mph faster in fourth than fifth; top speeds are 87 mph (the Ritmo 60), 93 mph (the 65) and 99 mph (the 75). The automatic is a little slower and signicantly thirstier than the manual 75.

Driving the cars on roads ranging from broken-surfaced lanes to semi-flooded *autostrada*, it soon became clear that Fiat had tuned out practically all sources of noise.

In the Ritmo 75, which I tried first, there was as little mechanical, road or wind induced noise as you would expect in a car costing £6,000-plus. The driving position was excellent, the suspension smothered any road roughness and the handling was as good as the wide track and long wheelbase suggested it would be. Only the gearshift was a let-down, being as vague and rubbery as the other controls were precise.

The Ritmo 60 with four-speed gearbox I tried later was not as sepulchral as the 75—it sounded like a Fiat 128 with a hush kit fitted—but was still a most refined family-size car.

Fiat say the old 128 will carry on for some time to come though eventually the Ritmo must replace it. Prices have not been fixed but, if the cars were here now, they would probably be in the £3,000 to £3,500 range.





# And so the odds change

MEMPHIS, Tenn., Friday.

GOLF
BEN WRIGHT

JACK NICKLAUS has been automatically installed as favourite in every major championship for so long it is interesting to hear that the odds makers in Las Vegas have discarded him in favour of Lee Trevino in next week's U.S. Open Championship. The premier American event returns to the scene of Arnold Palmer's solitary triumph in it at Cherry Hills Country Club in Denver, Colorado, in 1960, on a golf course set over a mile high which places a far greater premium on finesse than length—thank goodness.

I have no wish to disparage the awesome talents of my good friend Andy Bean who won the Kemper Open last Sunday in Charlotte, North Carolina, with ridiculous ease. But the wily Trevino was able to nominate Bean as the likely winner, and did so in print after 36 holes of the tournament. This was because it was played at Quail Hollow Country Club, where a definite premium is placed on length rather than accuracy.

I hasten to add that Bean has a silken touch around the greens for such a big fellow, as has Tom Weiskopf, who has won this lucrative event no less than three times in its 11-year history, and also taken away from Quail Hollow more than twice as much money as his nearest rival in that period, Ray Floyd, winner there in 1975, who is himself hardly a short hitter.

But why has Nicklaus suddenly been overlooked in view of his overbearingly successful start to the 1978 season, and the fact that he was runner-up to Palmer at Cherry Hills as an amateur in 1960? The important evidence apparently is that Nicklaus last won the U.S. Open at Pebble Beach in 1972, but more significantly, has not won any of the acknowledged four major titles since taking the U.S. PGA championship for the 4th time at Firestone Country Club, Akron, Ohio in August, 1975. Incidentally the South Course at Firestone has been Nicklaus's happiest of all hunting grounds in that he has won well over $500,00 on those lush acres.

The grim evidence is that Nicklaus has only twice really been in contention in major championships since 1975, on both occasions in 1977 been beaten by Tom Watson in epic contests for the Masters and our open championships. Nicklaus has only suffered one other comparably "dry" period when he went without a major championship victory throughout 1968 and 1969, having won the U.S. Open in June, 1967. He ended that period of famine at St. Andrews in 1970 by beating Doug Sanders in a play-off for our Open Championship, by a single stroke, 72 to 73 after the pair had tied at 283.

No one in his right mind would suggest that Nicklaus is a spent force in major championships. The fact that he has decided to concentrate on them, while otherwise running down his career to concentrate on both his business and family life makes him almost more dangerous, rather than less.

Nicklaus has proved perhaps better than anyone ever that he does not have to keep competing to maintain his game at a pitch of perfection that few, if any, others have ever achieved except during one magical week when it has all come together for them. In terms of sheer longevity Nicklaus is a unique phenomenon in that the putting touch that has been such a vital factor in his 14 major championship victories since turning professional in 1961, has never fully deserted him.

So why are the odds makers so keen on restricting Trevino's price? Firstly, this lovable, colourful character has geared his whole 1978 programme towards winning this championship to set the seal on his comeback after major surgery for the fusion of spinal discs that without exception we sceptics believed would finish him as a force in world class golf. Secondly, his three recent second place finishes and runaway victory in the initial Colonial National Invitational have revealed him to be absolutely ready, physically and mentally. Thirdly, most good judges regard Trevino as the finest manipulator of the golf ball since Ben Hogan. But his exaggerated slide through the ball has been patently obviously his own recipe for avoiding a damaging hook.

Now, Trevino, who scored 68 here yesterday, has even added the ability to move the ball in this way from right to left, under the control he felt he lacked previously to his armoury. Particularly in the minds of his rivals he has now become an even greater player. The only question mark that hangs over him concerns the state of his nerves on the putting green, which some believe are not all they were.

Further enormous interest in this championship at Denver has been created by the recent wonderful form of Palmer, the attempt by Gary Player (73 yesterday) to come into the event after competing with such distinction here for 15 consecutive weeks and the arrival of Seve Ballesteros.

Americans are notoriously isolationist in their attitude to anything that takes place outside this vast continent, which is why the current World Cup soccer competition rates only passing mention by the media here. But Ballesteros, judging by the size of the gallery that witnessed his opening 68 in the initial Danny Thomas Memphis classic here at Colonial Country Club, appears to have captured local hearts for both his looks and his bull-ata-gate courage so reminiscent of the old Palmer.

Arnold himself not only led the Kemper during the third round last Saturday until dropping strokes to par at three of the past four holes, but proudly announced he had never driven the ball better in his entire career. That, alas, is not the problem, as we all know. But no one reacts better to atmosphere and encouragement than Palmer, and he will hardly be lacking in either as he returns next week, to the scene of perhaps his greatest triumph. Everyone believes Player has burned himself out — like a boxer who leaves his best form in the gymnasium — that is, except Gary himself. We shall see.

## CHESS

LEONARD BARDEN

HALF-WAY through the £2,000 Cutty Sark Grand Prix, the national league for British chess congresses, the frontrunners include most of the leading national players apart from the grandmasters who compete on the European circuit.

This spring the congresses at Nottingham, Blackpool and Rhyl attracted between them nearly a thousand entrants, while the high quality at the top is illustrated by this pair of games played within three weeks of each other by two old rivals. The comments are based on analysis by George Botterill, the reigning British champion.

White: A. J. Whiteley. Black: G. S. Botterill. Opening: Modern Benoni (Blackpool Open 1978).

The opening moves were 1 P-Q4, N-KB3; 2 P-QB4, P-B4; 3 P-Q5, P-K3; 4 N-QB3, PxP; 5 PxP, P-Q3; 6 N-B3, P-KN3; 7 N-Q2, B-N2 (7 . . . QN-Q2 and if 8 N-B4, N-N3 gives an easier development; Black plans to exchange a bishop for the knight at QB4, but this is not very good).

8 N-B4, O-O; 9 B-N5, P-KR3; 10 B-R4, P-N3, 11 P-K3, B-R3; 12 P-R4, BxN; 13 BxB, P-QR3; 14 O-O, Q-B2; 15 P-R3, R-K1; 16 Q-Q3 (more precise is 16 Q-B2; Black's reply stops P-B4 because of RxKP), KN-Q2; 17 Q-Q2, N-K4; 18 B-K2, P-B5; 19 KR-B1, P-KN4 (to give the knights room); 20 B-N3, QN-Q2; 21 P-B4, N-N3.

A typical Benoni situation, where White has two bishops and more space, while Black's active pieces give him counterplay.

22 N-Q1 (winning a pawn, but P-B5 followed by N-K4 is simpler), P-N4; 23 BPxP, N-B4; 24 Q-N4, QR-N1 (Q-Q2!); 25 RPxP, QRPxP; 26 PxP, BxRP; 27 R-R3, Q-K2; 28 R(1)-R1, N-K4; 29 R-R7, Q-B3; 30 B-R5 (30 R(1)-R5! is better, but the move played is a good try with Black running short of time), N(B)-Q6; 31 BxN, BxP ch; 32 NxB, QxB??

The fatal blunder, Black (and White, too) overlooked that after 32...Q-B7 ch!; 33 K-R1, NxQ; 34 BxP ch? Black has QxB—an example of how backward captures are the easiest to miss. Best for both sides is 34 N-N4, RxB; 35 BxP ch, QxE; 36 N-R6 ch, K-N2; 37 NxQ, RxP; 38 NxP dis ch, K-N3 when Black is a pawn down but has very strong Q-side pawns.

33 BxP ch, K-B1; 34 Q-Q2, QxN ch; 35 QxQ, RxQ; 36 B-K6, NxP; 37 R-B1 ch, K-K1; 38 B-Q7 ch, K-Q1; 39 B-B6, Resigns. If R-K1; 40 R(1)-B7 leads to mate.

White: G. S. Botterill. Black: A. J. Whiteley. Opening: King's Indian (Rhyl Open 1978).

The opening moves were 1 P-QB4, N-KB3; 2 P-Q4, P-KN3; 3 N-QB3, B-N2; 4 P-K4, P-Q3; 5 P-B3, 0-0; 6 B-K3, N-B3; 7 Q-Q2, R-K1; 8 KN-K2, R-N1; 9 0-0-0, P-QR3; 10 P-KR4, P-KR4; 11 B-R6, B-R1 (if P-QN4; 12 P-KN4! and White's attack is quicker); 12 Q-K3 (threat P-K5-6), P-K4; 13 P-Q5, N-R4; 14 N-N3, P-B4 (if P-QN4; 15 P-B5 is good for White); 15 B-Q3.

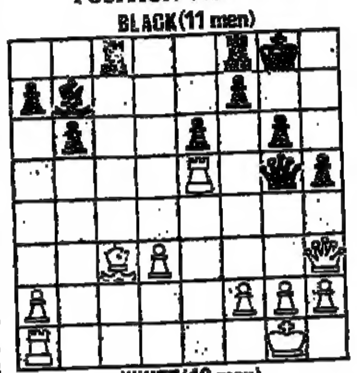
When the players castle on opposite sides of the board, as here, the question is usually who gets in first. Though most people would prefer White, Black has chances if he can attack on more than one Q-side file.

15...P-QN4 (improving on a similar position in Tarjan-Whiteley, Hastings 1977, where he played B-Q2); 16 N-B1, K-R2? (this helps White's coming P-KN4. The critical line is 16... N-Q2; 17 P-KN4, N-N3; 18 PxRP, N3xP; 19 Q-N1, K-R2; 20 PxP ch, PxP with complications); 17 B-N5, NxBP; 18 KBxN, PxB (the "dead point" theme modelled on a brilliancy by Tal against Tolush. Black's blockaded QBP means that he has no Q-side lines of any value, while White's attack progresses rapidly); 19 P-KN4, Q-N3; 20 R-Q2, PxP; 21 P-R5, NxRP; 22 N-N3, P-B3; 23 NxN, PxN; 24 RxP ch, K-N3 (if K-N1; 25 RxB ch and BxP ch leads to mate); 25 R-R6 ch, K-B2; 26 R-R7 ch, K-N3 (if B-N2; 27 B-R6, R-N1; 28 PxP); 27 BxP! KxR; 28 R-R2 ch, K-N1; 29 Q-N5 ch, Resigns. If K-B2; 30 R-R7 ch and mates.

Next month's Evening Standard congress (July 21-23 and 28-30) at the Cunard Hotel, Hammersmith, is the world's largest weekend event and includes the National Bank of Dubai Open (£1,200 first prize). There are sections for everyone down to novices and beginners. Details from E. Penn, 7, The Larches, Palmers Green, London, N13 or phone 01-886 1148.

POSITION NO. 219

BLACK (11 men)

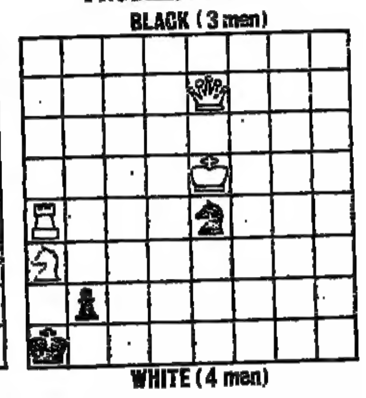


WHITE (10 men)

Rosell v. Keene, Aarhus 1977. Grandmaster Keene (Black, to move) is a pawn up, but apparently under pressure. However, Black's next two moves were so strong that White's game collapsed almost at once. How did play continue?

PROBLEM NO. 219

BLACK (3 men)



WHITE (4 men)

White mates in three moves at latest, against any defence (by S. Krushov, USSR Chess, 1941).

Solutions Page 12

## BRIDGE

E. P. C. COTTER

IN A RECENT session of play, one rubber produced two hands which I thought very interesting, so I pass them on to you. This was the first:

N.
♠ A 4
♡ K 10 8 6 4
◇ Q 7
♣ A J 9 5

W.
♠ 10 7 2
♡ Q J 5 3
◇ J 10 9 5
♣ 6 2

E.
♠ K 9 6 5
♡ 7 2
◇ 8 6 3 2
♣ 10 8 3

S.
♠ Q J 8 3
♡ A 9
◇ A K 4
♣ K Q 7 4

My partner in the North seat dealt at love all and opened the bidding with one heart. My best response is three clubs. North will raise to four clubs, I then bid four diamonds, and bid six clubs after North cue-bids his spade Ace. The club slam is on ice.

Unfortunately, the bidding did not proceed on the lines I have suggested, and I found myself in a contract of six no trumps, which is clearly inferior to six clubs. West led the diamond Knave, and I took stock. The position of the spade King was of paramount importance. Unless East had it, there was no real chance of making 12 tricks.

So winning the diamond lead with dummy's Queen, I at once returned the four of spades. If East rises with his King, all problems are at an end, but East was far-seeing enough to follow with the five. When my Queen held the trick, I had two chances for my contract. If East had started with only three spades to the King, I could force out his King with a low card on the third lead, and so set up my Knave.

But I felt that he had started with four spades, and turned to my second chance, that of making four tricks in hearts. A 3-3 break will give me four tricks but, of course, 4-2 is the more likely division.

I cashed the Ace and followed with the nine. As you can see, if I had run the nine, I would have made the slam, but I played dummy's King. This wins if the suit breaks 3-3 or if East holds the doubleton Queen or Knave, which is the percentage play. But I went down.

Two hands later—we now had a part score of 60—I was the dealer:

N.
♠ K 8 3
♡ 10 8 5
◇ Q 9 7 4 2
♣ A 4

W.
♠ Q 10 6 2
♡ A J 6 4
◇ —
♣ J 10 7 5 3

E.
♠ J 7 4
♡ Q 7 2
◇ K 10 8 6 3
♣ K 8

S.
♠ A 9 5
♡ K 9 3
◇ A J 5
♣ Q 9 6 2

I decided to open the bidding with a normal one club, my partner replied with one diamond, and my one no trump concluded the auction. West led the five of clubs, dummy played low, the King won, and East returned the eight, which was won by the Ace. A diamond from the table allowed me to finesse the Knave in hand, and West showed out, discarding the two of spades.

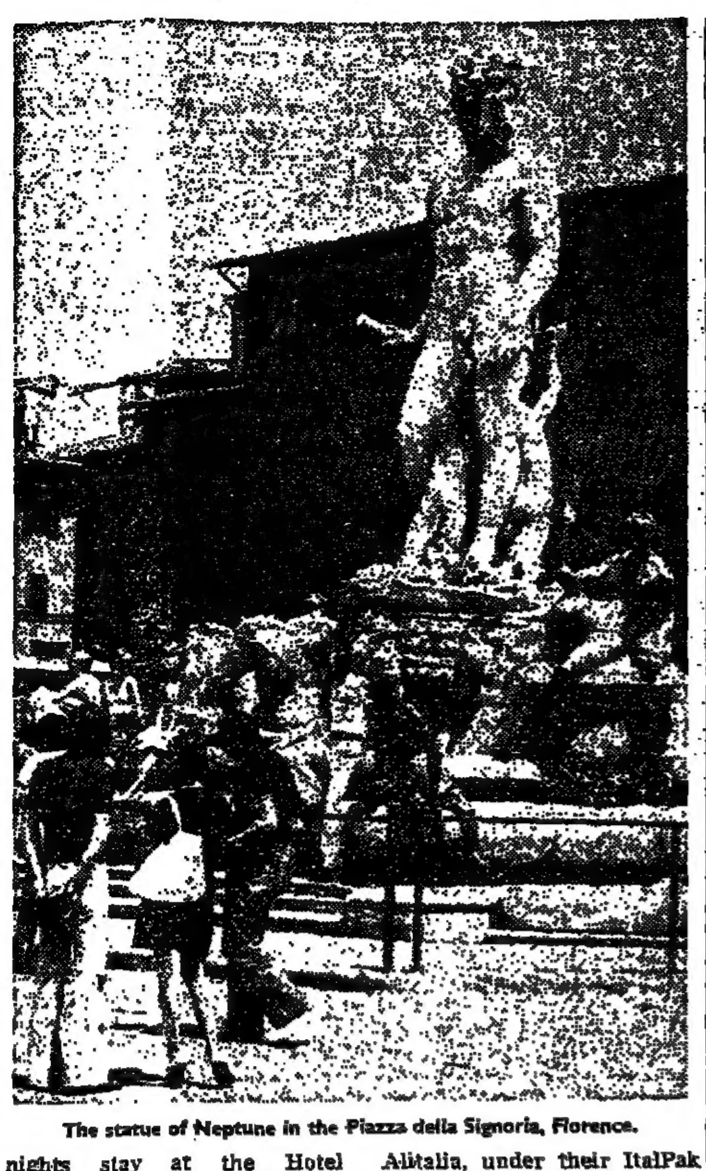
Prospects were far from bright. However, West's spade discard gave me an idea. If I could strip West of spades, I could catch him in an endplay by putting him on lead with a club.

With this in mind, I ducked a spade in both hands. West won, and continued with the Knave of clubs, which was taken by my Queen. I played a spade to the King and returned a spade to my Ace, happy to see both opponents following suit. The endplay was on. I threw West in with the nine of clubs. After making two tricks in the suit, he had to lead a heart, setting up the King for my seventh trick.

We sometimes make three no trumps on a combined 23 points, but on this hand of 23 points I had to struggle for the odd trick.

# TRAVEL

## Heading for Tuscany



The statue of Neptune in the Piazza della Signoria, Florence.

ALTHOUGH I have visited Naples several times and survived the experience, and in spite of that spectacular setting in the shadow of Vesuvius and facing out towards that bay of rare beauty, it is not one of my own favourite Italian cities. And, if we separate Rome off into a class of its own, my feet tend towards Tuscany.

Although I know Florence fairly well and always return there with a sense of anticipation, I still find the sheer wealth of art treasures somewhat overwhelming, even on a third or fourth visit, and for this reason feel more at ease in Siena.

*Siena stands at a focal point*, rising above the rich and varied Tuscan countryside where, among the stately cypresses, the finest Chianti is produced from what looks to the layman's eyes an unyielding and stony soil. The city has also zealously preserved the traditions of the past which reach their climax when, on July 2 and August 16, the various *contrade*, districts *formed from the original guilds* with names like "Eagle" and "Porcupine," compete in the annual Palio as horse and rider gallop frenziedly around the great and strangely lopsided main square, the Piazza del Campo.

**ITALY**

PAUL MARTIN

*In common with nearly every* major art city in Europe, Siena is seen at its best during the brilliance of an early spring or when, in autumn, the heart of the summer sun is past and the coaches, disgorging the day-*visitors, have vanished.*

This is a city of churches and fountains with the incomparably beautiful Pinturicchio frescoes at the Piccolomini library in the cathedral and, in the adjacent museum, the *imaginatively lit* and well displayed collection of works by Duccio.

Italviaggi quotes £172 for bed-and-breakfast and seven nights stay at the Hotel Toscana. Air travel is via Pisa and includes 24 hours car hire which enables you to see something of the surrounding *countryside.*

I think that readers of this column are more likely to visit Milan as Italy's principal business centre. Until two or three years ago I had often passed through it but never stayed there. Milan certainly provides a full quota of extraordinary *contrasts* and the volatile, voluble Milanese becomes a fairly frenetic character at the wheel of a car, reviving memories of the long-vanished Mille Miglia at every intersection.

All the more credit to the city authorities who have banished the car from that lovely central square in front of the vast and *ornate cathedral where the* series of elaborately decorated pinnacles, piercing towards the heavens, are crowned with a statue of the Madonna.

Alitalia, under their ItalPak scheme, quote £132.50 by scheduled air for two nights *with private facilities at the* Jolly Hotel President. Pegasus, using the same hotel, charge £145 for a three-night stay.

Bologna moved more quickly than Milan in banning the car and creating a pedestrian zone around the Piazza Nettuno and the Piazza Maggiore, two of the *noblest civic squares to be seen* anywhere in Europe.

Bologna has a quite remarkable built-in logo with its twin towers, the higher one, rising to over 300 ft called the Asinelli, and the lower one, La Garisenda, which suffered an architectural decapitation a few centuries back.

ADDRESSES: Alitalia (ItalPak), 251/259 Regent Street, London W1R 8AD. CIT (England), 256 High Street, Croydon CR9 1LL. Italian State Tourist Office (ENIT), 201 Regent Street, London, W.1. Italviaggi, 104 North Road, Kew Gardens, Surrey. Pegasus Holidays (London), 24a Earls Court Gardens, London SW5 0TR.

Your Weekend £: Austria 26.90, Belgium 59.08, France 8.28, Italy 1,535, Greece 65.50, Spain 142.25, Switz. 3.43, U.S. 1.82. Source: Thomas Cook.





## The world on wheels

Access Week has focused attention on the problems of the disabled in daily life. Sylvie Nickels looks at the position when it comes to travel.

AN INDOMITABLE SPIRIT alone is not enough when your *eyesight is poor, your sense of* balance badly impaired, and *your dietetic requirements com*plex. Thus, the past few *journeys of my favourite elderly* relative were only made possible by a network of facilities in two major airports. It was the airlines that told me about them (in this case Swissair and British Airways), and I was impressed, not only by the practicality of the assistance *(wheelchair, escort to plane,* pre-boarding, special diet), but the kindness and caring which went with it, minimising the inevitable anxiety of the *journey. That was a few years* ago, and my mother's needs were far fewer than many other handicapped travellers. But facilities were more limited then and not nearly so well publicised.

One *important* lesson I have learned from handicapped relatives and friends is that there is no difference between the disabled and the able-bodied when it comes to variety of tastes and temperament.

Group arrangements *for* sufferers from any particular affliction may be marvellous for the sociably inclined but, however excellent, will be of little benefit to the less gegarious. Others will welcome the opportunity to enjoy new horizons and activities with those sharing similar limitations. So what the disabled need, just as the able-bodied do, is choice.

The best single, highly admirable general source of information for travellers with every conceivable kind of physical handicap is the annually revised *Holidays for the Physically Handicapped* published by the Royal Association for Disability and Rehabilitation (RADAR), *costing* 75p from W. H. Smith's. It's a hefty volume of facts about voluntary and commercial organisations of all kinds, activity holidays, accommodation, general advice *on* holiday organisation, transport and insurance. It ends with notes on accommodation and sources of further information for over thirty foreign countries. Another recent and generously *factual publication is The Directory for the Disabled* by Ann Darnborough and Derek Kinrade (paperback edition, £4.25) —a handbook of information and opportunities for disabled people.

*Handicapped travellers by air* will get useful guidance from a free leaflet *Care in the Air* prepared by the Airline Users' Committee. The British Airports Authority in conjunction with the Joint Committee on Mobility *for the Disabled has produced* a series of free leaflets on each of our major airports including plans of each passenger terminal. Responsibility for the facilities is shared between the BAA and the airline you use, and it is advisable to check the arrangements available through various airlines before making a booking. In many cases there is no charge.

*A new edition of A Guide to British Rail: a handbook for the disabled person* should be available by the end of the year from RADAR, giving facilities in several hundred rail stations throughout Britain, and in *trains,* as well as indicating concessions and reductions of various kinds. Cost will be under 50p.

When it comes to accommo*dation, a variety of organisa*tions (such as the English Tourist Board and regional tourist boards) and hotel groups (such as Trust Houses Forte) publish guides for the general public in which a symbol indicates *these* establishments suitable for handicapped persons. Far more specific is the AA's *Guide for the Disabled* (75p or free to members) which gives *more detail on types of doors,* numbers of steps, availability of ground floor bedrooms, etc. But the best I have seen is the considerable section in RADAR's *Holidays for the Physically Handicapped* listing establishments throughout Britain, giving door widths for entrances, lifts and bathrooms in many cases, as well as indicating those accepting epileptics, incontinents, guide dogs and providing special diets.

Both the Welsh and Scottish Tourist Boards have produced helpful publications. Wales' *Disabled Visitors Guide* (35p) has 40 pages of special facilities; Scotland's *Holidays with Care* (free) has 60 pages packed with information or relevant organisations, publications, accommodation, transport and *is much to be commended.* It's supplemented by a free 35-page leaflet listing accommodation with facilities for the disabled.

It is also certainly worth finding out what else the tourist boards have to offer in more specialist fields. There are the Scottish Tourist Board's *Anglers' Guide to Scottish Waters 1978* (90p with p and p) for example, and the British Tourist Authority's *Britain—nature trails* (35p). Both keep the disabled in mind. RADAR's publications list includes about a score of towns and cities in Britain, and some foreign destinations, for which access guides for the disabled are available, usually at a nominal price. Other fields are covered, such as their *An Access guide to the nature reserves of England, Scotland, Wales for the disabled, 1977* (20p).

*Addresses:* RADAR, 25, Mortimer Street, London W1N 8AB; Airline Users' Committee, 43-59, Kingsway, London WC2B 6TE; British Airports Authority, 2, Buckingham Gate, London SW1E 6JL; English Tourist Board, 4, Grosvenor Gardens, London SW1W 0DU; Automobile Association, Fanum House, Basingstoke, Hants RG21 2EA; Wales Tourist Board, Llandaff, Cardiff CF5 2YZ; Scottish Tourist Board, 23, Ravelston Terrace, Edinburgh EH4 3EU; British Tourist Authority, 64, St. James' Street, London SW1A 1NF; Central Bureau for Educational Visits and Exchanges, 43, Dorset Street, London W1H 3FN; Peter Le Marchant Trust, Colston Bassett House, Colston Bassett, Nottingham NG12 3FE; The Calvert Trust Adventure Centre, Little Crosthwaite, Under Skiddaw, Keswick, Cumbria CA12 4QD.

## Needs and aids



Cartoons: Netherlands Society for Rehabilitation

ANYONE PHYSICALLY handicapped and seeking a satisfactory holiday, faces problems. But hoteliers also have to decide whether it is viable to take handicapped guests, and how to provide facilities.

It is estimated by the English Tourist Board, that, including accompanying friends and relatives, the disabled holiday market constitutes 3m people. Alfred Morris MP Minister For The Disabled has said: "This is a case where good ethics and good business go hand in hand."

There are the fundamental *facilities needed such as* reserved signposted parking space, as close to the entrance as possible; a level flat entrance or a signposted ramp at a side entrance; easily operated front entrance doors; lifts large enough for a wheelchair, with accessible controls; space to *manoeuvre wheelchairs in bed*rooms; space to manoeuvre wheelchairs in bathrooms with support rails near bathtubs and lavatories; a shower with seat, handgrips and thermostat; and space to manoeuvre wheelchairs *in dining room.*

The English Tourist Board publication Providing For Disabled Visitors clearly specifies the necessary adaptations to make a hotel convenient for disabled visitors. The board contributes to the capital cost of tourism facilities in industrial development areas by a grant or loan or a combination of both, up to a maximum of 50 per cent of the capital cost of a project. Financial aid is also given to hotels by COSIRA (The Council For Small Industry in Rural Areas).

The obstacle to holidays for the handicapped are lack of confidence and/or lack of money. Many people automatically think they can not take a holiday. They dread to *contemplate the difficulties.* However with careful planning these difficulties can be surmounted. *Even financial help is* available. Local social services can give all or part of the cost of holidays, and some help towards bringing your own escort. Voluntary organisations may give grants towards holidays. Every effort is made to provide this discreetly.

Some of the voluntary associations for disabling illnesses *have taken their own initiative* The British Rheumatism and Arthritis Association owns five hotels, and some self catering accommodation, the Multiple Sclerosis Society has self catering accommodation too.

For motoring, The Disabled Drivers Association, and the *Disabled Drivers Motoring Club* are very helpful organisations.

*Foreign tourist offices help* with information about climate, and tell if a resort is hilly, but *for facilities it is best to* approach the disabilities organisations overseas equivalent to RADAR. Scandinavia and France are good places for disabled travellers. They have such organisations who publish guides. You can use their information to travel independently or specify the hotels approved by these publications, when booking a package tour.

Although package tour operators do not run specialised holidays for the *disabled*, some, including Thomson and Blue Cars, will confirm whether individual hotels are suitable. You can ask their information departments or a good travel agent can find out all you need to know. It is a matter of finding one who will take the *trouble.*

People requiring a lot of care need holidays most and get least. Often they need day and night attention, which is expensive. Although local authorities under The Chronically Sick and Disabled Persons Act of 1970 may provide all or part of the cost of handicapped *holidays, they tend to give* holidays to the less disabled. This allows more holidays to more people because the money goes further on the lower cost holidays.

However, there are special homes. A purpose *built one in* Netley, near Southampton, even takes responauts (people so disabled as to need support systems such as iron lungs). This centre is owned by the borough of Lambeth and a charity called Refresh.

HENRY MARA

## Question of timing

THE PREDICTABLE success of last year's Silver Jubilee stamps *had* an equaly *predictable* sequel—a repeat performance *to mark* the 25th anniversary of the Coronation. I suspect that the British Post Office had their eye on this from the very outset and it was significant that they *resisted* the temptation to use Coronation motifs in the series of stamps issued for the Jubilee. British stamps these days are a soft sell and the PO could afford to ignore the complaints that the designs were dull and reminiscent of the George V Jubilee stamps of 1935.

By keeping the *Jubilee series* in a low key the PO has pulled a master stroke and *reserved* the pomp and pageantry quite rightfully for the Coronation anniversary set which went on sale last week.

*The stamps were designed by* Jeffery Matthews, whose previous work includes the Silver Wedding stamps of 1972. The four stamps feature the Gold State Coach, the St. Edward's Crown, the Orb and the Imperial State Crown—four items which trace the Coronation ceremony from the drive to Westminster Abbey through to the return procession when the Queen wore the Imperial State Crown.

Coronation Day 1953 was the theme of the omnibus series *produced by the Crown Agents* for their principals and while each set of three stamps was an entity in itself, they combined to tell in great detail the story of the Coronation. Having shot their bolt so magnificently one wondered how the Crown Agents could follow this with a *series devoted to the Coronation* anniversary, avoiding repetition.

The answer is quite brilliant in concept. The present omnibus series has concentrated on a single aspect of the Coronation—the array of Queen's *Beasts that decorated the* approach to Westminster Abbey. Each of the 20 participating countries is issuing a triptych comprising a stamp featuring *one of these traditional royal* beasts, a stamp with a full-face portrait of the Queen by Peter Grugeon, and a stamp depicting a local beast.

Clive Abbott and Jennifer Toombs shared the honours in designing the series and uniformity has been imparted by rendering the beasts in heraldic style in simulated stonework.

The stamps have been issued *in small sheets composed of* two triptychs separated by a *horizontal gutter bearing a* silhouette of the Coronation procession and a piece of text describing the royal and local beasts. There is a number of errors in these gutter texts and *it will be interesting to see* whether the Crown Agents rush out some corrected versions. The moral here is purchase the complete sheetlets at the earliest opportunity to be on the safe side.

**STAMPS**

JAMES MACKAY

Quite a few Commonwealth countries are issuing stamps with the Crown Agents omnibus series. Hong Kong has produced two stamps which are clearly derived from the 1954 definitive series which, in turn, maintained the classic simplicity of the definitive design which had been in use since 1862.

The Isle of Man has released a 25p stamp showing the Queen wearing the Imperial State Crown and holding the Orb and Sceptre. Brunei is issuing three stamps this month depicting the moment of crowning by the Archbishop of Canterbury, the Queen wearing the Imperial State Crown, *and the Golden* Coach departing from the Abbey. Though New Zealand is ignoring the Coronation anniversary, its dependency, the Tokelau Islands, are issuing a set of four stamps on June 28 showing the entrance to Westminster Abbey, the Coronation Chair, the Coronation Regalia and a portrait of Her Majesty.

Last Tuesday the Cook Islands issued two sheetlets containing four stamps in denominations of 50c and 70c. The top row of each sheetlet contains a stamp portraying the Queen, flanked by labels describing the motifs of the three stamps in the bottom row.

On the same analogy as the Crown Agents' issues, the lower stamps *feature* the *Imperial* State Crown, flanked by the Lion of England and a stone carving of Tongaroa, the most important god in Polynesian mythology. The statue, incidentally, is now preserved in the *Ethnographical Department* of the British Museum.

## Blossom watcher

*IT HAS BEEN* such a wonderful spring for blossom that one wonders whether the standard can really be maintained all summer. Before considering the prospects I would be interested to know whether other gardeners have had a similar experience to mine with cherry and apple blossom these past few weeks. For years I have been complaining that cherries, ornamental or fruiting, were no longer worth growing in quiet country gardens where birds lived undisturbed and stripped the trees of all their buds long before they were due to open. Latterly they have attacked the apple blossom as well and only a few weeks ago I watched from my window a pair of bullfinches *systematically working the trees.* "There," I said to myself, "goes all hope of a crop for 1978."

I could not have been more wrong. The orchard has been dripping with bloom for weeks, more beautiful than I can ever *remember it, and old cherry* trees, which I had intended to grub out, have also been loaded with blossom for the first time *in 15 years.* Have the birds suddenly changed their habits, as they certainly appeared to do when they first started to attack? I scarcely dare to believe that this is so but maybe some bird expert can give me the true answer.

The prospects for summer *certainly look good.* Roses are growing strongly. *I* have not yet seen any sign of the greenflies, except under glass, and very little black spot. The early *flowering species and their hy*brids are already making a fine show and in one sheltered garden I have seen Penelope in bloom. Here, also, was that *lovely Asiatic species Rosa primula* with ferny leaves made up of many small leaflets and pale primrose flowers. It is seldom seen except in specialist collections, I cannot think why for it is more beautiful than the popular Canary Bird and considerably less demanding of space.

*Double Yellow Banksian* is another rose I have seen flower*ing well this past week in* several gardens. It is unques*tionably a little tender, but is a* rose that might be much more freely planted against sunny walls in town gardens where it would benefit from the marginally higher winter temperatures.

*Another foretaste of summer* comes from *Kolkwitzia amabilis* a relation of the weigelas, more elegant in habit and more delicate in flower than any of that useful but slightly stodgy race. The stems are thin and arching, the flowers small, pink with a touch of yellow at the heart of each.

**GARDENING**

ARTHUR HELLYER

American gardeners, who love it dearly, long ago christened it the "beauty bush" with *their usual happy knack of* coining just the right name.

*Both Abutilon vitifolium* and the very fine hybrid from it named *A. suntense* are flowering well and can be expected to continue for many weeks. *A. vitifolium* has the better foliage, pleasantly clothed in *soft grey down, but A. suntense* excels in bloom, the flowers fuller and more saucer shaped, geranium purple rather than a slightly washy mauve.

Both are shrubs capable of growing eight or nine feet in a year which can be very useful *when one is in a hurry and* doubly satisfactory when they will stand quite hard pruning with impunity. Neither is long lived but both are readily *increased by summer cuttings* and *A. vitifolium* also by seed.

The *summer shrubs I look* forward to most eagerly are the mock oranges. "Common," I suppose the more snobbish gardeners will retort and so *some of them are, but* none the worse for that. Still, if one dislikes growing things that can be seen in every other garden, there are mock *oranges that are now anything* but common. How many gardens, for example, can show *Philadelphus microphyllus* which has the smallest but also the most numerous and richly scented flowers in a family noted *for both qualities.* One bush will fill a sizeable garden with its sweetness and, since it makes quite a small bush, it is ideal for the new pocket size gardens. Even less well known is *P. delavayi* a Chinese species outstandingly rich in scent and particularly distinctive in a variety named "calvescens" which has violet calyces to set off the white flowers.

Apart from roses, hydrangeas are the only shrubs that can do for the summer garden what rhododendrons and azaleas do *for the garden in spring.* Whether one goes *for* the fully hardy kinds such as *Hydrangea paniculata* and *H. arborescens grandiflora* or the more tender varieties of *H. macrophylla* one can expect solid banks of bloom throughout the later summer and well on into the autumn. There is, of course, always the risk that the terminal buds of the *H. macrophylla* varieties will be destroyed by spring frosts. That will affect the flowering of some but not of all since there are varieties such as Vicomtesse Générale de Vibraye which are relatively unaffected by such damage and are able to flower equally well from buds lower down the stems, which are seldom *damaged.* Incidentally Vibraye is one of the best of all hydrangeas to give true blue flowers. The purity of the colour is affected by soil, being best where it is acid.

## HOW TO SPEND IT

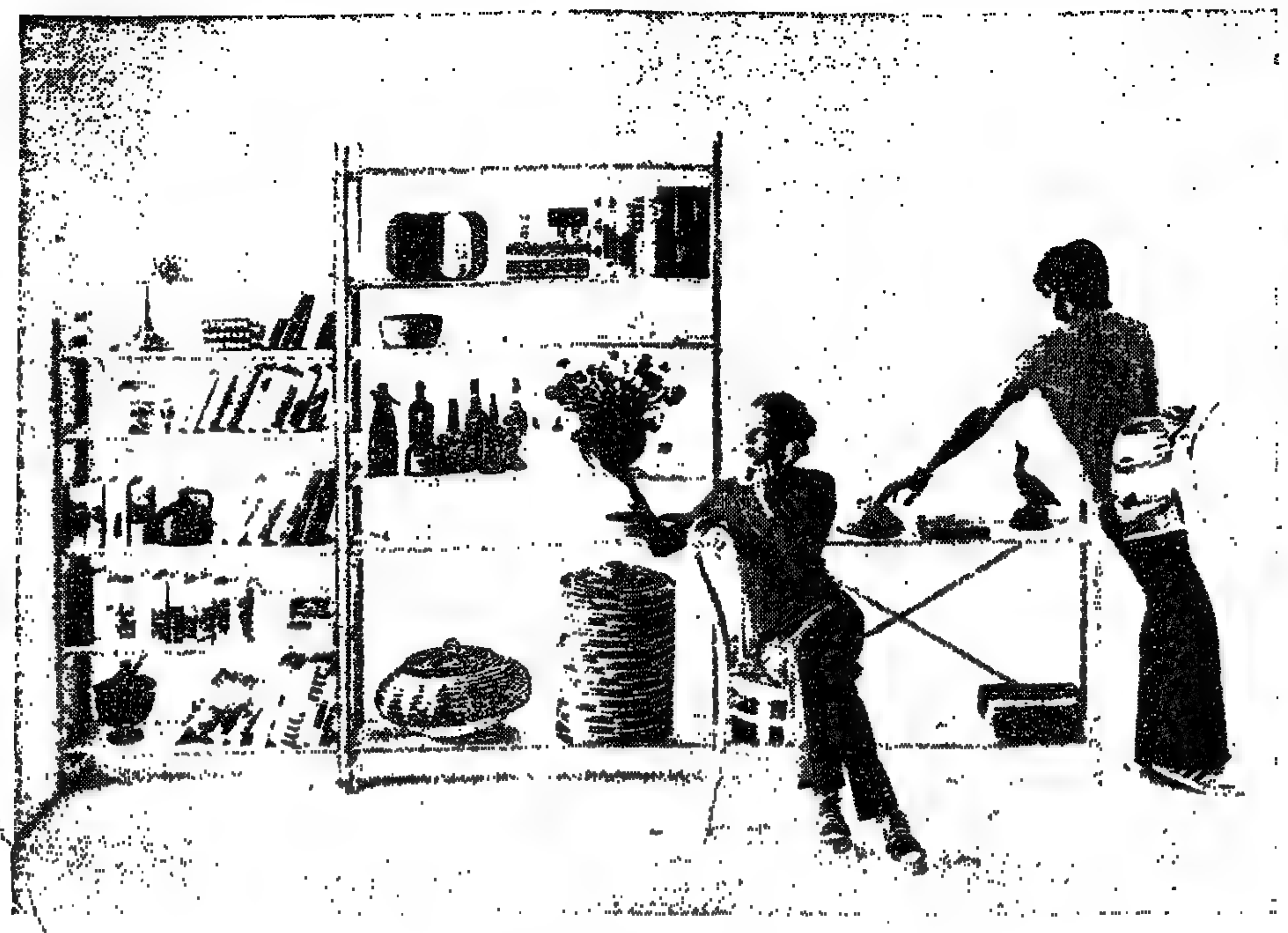
by Lucia van der Post

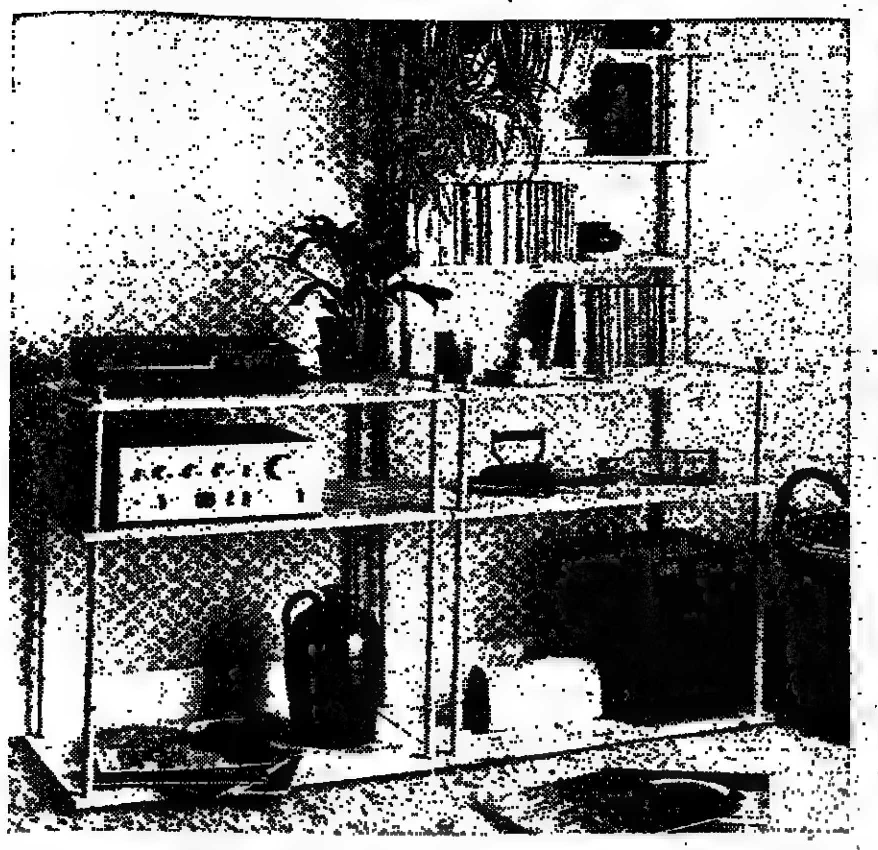
# ON THE SHELF

**I SUPPOSE there must be some houses where there is enough shelving, where there aren't piles of books in corners, or where everything has a home. If there are, I haven't come across them. Certainly, in our house the books pile up in every room and more shelving is the commodity we always need.**

**There is a great deal of shelving on the market at the moment. There are the kinds of systems that you can buy in bits and pieces, starting with a small amount and adding to as and when the household begins to expand. If this is the system that appeals to you try to make sure you buy a brand that is likely to be manufactured for years to come and that it is stocked by a local store—nothing is more infuriating than finding you can no longer buy the pieces you need to add on to that supposedly flexible system or that you have to make an arduous journey to find and collect it.**

**Though there are very grand, exquisitely finished flexible systems, suitable for the grandest of drawing-rooms, those that I have chosen to feature this week are more suitable for studies, teenage rooms, nurseries, spare-rooms or rather informal sitting-rooms.**





**LEFT: Heal's of 196 Tottenham Court Road, London, W1, has opened a new department which rejoices in the name of Buzz. The brainchild of the youngest Heal in the business, Mr. Oliver at 29, and a young woman buyer called Jacqui Smith, it aims to appeal to the young married age group—they hope it is young in feeling, simple, unpretentious, down-to-earth and natural.**

One of the best things on offer in the department is this range of simple, versatile, practical shelving. Made from unfinished deal, which of course you can stain or paint as you wish, the basics of the kit come from Holland. The system depends upon four different sizes of uprights and two different widths of shelves. These can be put together in the combinations that most suit by using joint brackets (25p each) and X-braces (£1.50 each). The uprights start at £4.60 each (for the 300 by 900 mm size) and go on up to £8.85 each (400 by 2100 mm size). The shelves cost either £3.95 each (300 by 900 mm) or £5.25 each (400 by 900 mm).

As you can see from the picture the combinations can be varied to provide simple book shelving or desk surfaces. It is exclusive to Heal's new Buzz department and because it is ready-boxed there should be no delay over orders or re-ordering.

**ABOVE: Readers may remember that early last autumn Sterling Roncraft launched a few simple shelving ideas in kit forms. Following the success of this initial venture into the shelving field, they have now launched a complete system which gives a larger expanse of storage.**

All the shelves are of pine, whereas the uprights and feet are in hardwood, finished to give a slight bamboo effect. Though the kit has to be put together by the customer no glue is involved—a simple method of screws helps to fix the various parts together. There are also wall-plates which can be bought as an optional extra if the units need to be fixed to walls. Though the units are not meant to be completely finished and can be stained or sealed (with Ronseal Hardglaze) if you wish, the finish is certainly quite attractive enough for use in spare rooms, children's rooms and so on.

The system consists of five basic units, of which the smallest gives display shelves 41 ins high, 56 ins wide and 12 ins deep for £38.63. The largest unit has a 9 ft run of shelves 18 ins deep and 70 ins high for £111.68. Needless to say the combination of units possible is enormous.

The units are available only from Sterling Roncraft direct and won't be on sale in any shops. For a full-colour brochure, which gives all measurements and prices send a S.A.E. to: Dept. Ronshelving, Sterling Roncrafts, Sterling-Winthrop House, Surbiton, Surrey KT6 4PH.

**TOP RIGHT: An exquisitely simple and finely finished collection of shelves, based on the very old idea of the ladder, can be seen photographed above. The design is called simply La Scala if it has four shelves as above, or La Scaletta if it has three. The shelving is by the Italian firm of Zanotta from an idea by Maddalena de Padova and both designs consist of a demountable shelf ladder with uprights and either three or four shelves, all made from solid European fir. The four-shelf version is 71 ins high, 39½ ins wide, the shelves are 8¼ ins deep, and it has a depth from the wall of 27½ ins at floor level. The three-shelf version is 55 ins high, 39½ ins wide, 8¼ ins deep and is 23½ ins deep from the wall at floor level.**

The four-shelf version is £118.60, the three-shelf one is £104.40 (excluding VAT). Both are available exclusively from Aram Designs of 3, Kean Street, Covent Garden, London, WC2.

## Sch..h..limming

**SLIMMERS** will be delighted to learn that Schweppes have just brought out a slimline shandy which should go some of the way to quenching thirst without adding inches. It is very slightly alcoholic and has only 18.4 calories per can compared with the more normal 85 calories per shandy. We all thought it a little on the sweet side when drunk luke-warm (but what summer drink, even white wine, could pass that test?) but found it refreshing when really cold. I like it because it gives me the illusion that I'm having a proper drink and, if I were able, I could drink four cans of it before I'd had the same amount of calories as are to be found in one glass of white wine. It costs about 13p, depending upon where you buy it. You can find it in Woolworths, International Stores, Tesco, Safeways, Cullens, Boots, Augustus Barnett and many other outlets.

## Bargain bake


ANYBODY who has a freezer will know how quickly one runs out of attractive dishes. I tend to freeze food in the container that I will either reheat it in or serve it in, as this way is not only easier but often, as in the case of quiches and fruit tarts, the only way, if the table is not to be marred by serving food in tinfoil. The average freezer owner therefore finds that she needs a great many more such dishes and a range from France, called Arcopal, seems to me to be a boon.

Made from smoky glass the dishes are so exceedingly inexpensive that it becomes practical to have plenty and then to use them for freezing purposes. Left we have pictured just one of a package of two flan dishes—they each measure 7½ ins across, one has a recipe for Quiche Lorraine, the other for Lemon Meringue Pie, reproduced on the bottom and the two together cost £1.99. Also in the range is a soufflé dish for £1.50, an oval baking dish for £1.99, large enough to take a gratin dauphinoise or a lasagne, as well as a five pint casserole for £2.50. The range is simple, attractive, eminently useful and can be found in major branches of Littlewoods.

## All made by hand

DID you know that you could, if you were prepared to wait and could afford it, have a camera made by hand? Or do you know that you could order a letter-cage and have it made, exactly to the size and shape you require? Would you know where to find a sword-maker, a sword-stick maker, a stained-glass window maker or a saddler? No? Well, then Handmade in London is the book for you. Written by Andrew Lawson, published by Cassell (£8.95) it is not only a mine of this sort of practical information but through it you can gain a feeling for the hidden parts of London, the small workshops and ateliers, the people who still earn their living with their hands and whose way of life has survived the years.

Though I have long been interested in what I call the entrepreneurial craftsman, the man who risks his all because he wants to spend his life creating and making, Andrew Lawson has still managed to find people and crafts I didn't know existed.

Take cameras. I had no idea that the Gandolfi brothers were still making mahogany and brass cameras of the sort that were used long before today's miniature cameras were thought of. Nor did I dream that such things might be so sought after.

There is, should you want a Gandolfi camera, a two year waiting list, and most on the list are those who really know about cameras.

Though hand-made cameras were the most esoteric items as far as I was concerned, there are many other crafts that are, surprisingly, still alive and flourishing. In the census of 1971 no fewer than 16,900 "unclassified" craftsmen were notified in the Greater London area—including a teapot-handle maker of Hackney, a lute-maker, a musical-box restorer, a vellum-maker in Brentford, a candle-maker in Battersea and a barrow-maker in Covent Garden.

Though the descriptions of the more esoteric crafts and craftsmen gave me most delight perhaps other people will be more interested in those likely to be of more immediate use—the silver-engraver, the furniture-maker, the riding-breeches tailor and so on. All these people provide invaluable services and matchless standards.

Many people feel that crafts are superfluous but one has only to read this book to understand what an invaluable role they play. They are an essential part of the rich mix that makes London what it is and if they should be allowed to wither through lack of support many priceless skills will be lost—probably forever.

Whether you need something practical done (like a new top hat, or a musical box restored, or a piece of glass engraved) or whether you are interested in these craftsmen for less tangible reasons, the book should have something to offer. You will be surprised and amazed at the range of skills in London and will, I hope, be tempted into commissioning one or two of them when you really want to find a very special present.

A photograph from Andrew Lawson's book, Handmade in London, of Stephen Gottlieb, the lutemaker.

## *Cooking with Philippa Davenport*

**Lots of sunshine plus generous waterings by patient gardeners means fast-ripening fruit and vegetables—so there should be plenty of reasonably priced produce of prime quality to choose from this month. Fine weather is good for fishermen too and June is a time when crab, prawns, mackerel and other fish found round British coasts are often at their best.**

SUGGESTED JUNE MENUS:

Courgettes à la Grecque
Curried seafood salad
Three fruit cassata

Globe artichokes
Dressed crab
Riz à l'Impératrice with compôte of cherries

### DRESSED CRAB

Really fresh crab is a great treat. It is time-consuming to boil and dress it yourself, but very rewarding as the end-result is so superior to shop-prepared versions. Choosing a live, healthy crab and cooking and eating it the same day ensures freshness; being prepared to spend more time than the fishmonger will on picking the body section means you get more meat for your money; and, last but not least, you are in control of the sort of seasoning and the amount of padding, if any, to go into the dressing (most fishmongers seem to use malt vinegar and vast quantities of breadcrumbs).

I abhor malt vinegar — except for making chutneys — and am against the inclusion of breadcrumbs when dressing crab. Even a few crumbs seem to detract from the fine shellfish flavour and texture. Besides, if you have picked the bones really thoroughly, there will be enough crabmeat to pile up high in the shell, so there's no need or room for extra bulk.

Simply seasoning the crabmeat makes for delicious results, and do this as soon as the crab has cooled after boiling. Mix the brown meat with a little mustard, a few drops of olive oil and a good grinding of salt and black pepper: moisten the white meat with a spoonful or two of vinaigrette (or mayonnaise) plus salt and pepper. Lay the cleaned crab shell on a bed of parsley. Pack the white meat down the sides of the shell and mound the brown meat down the centre. Mark the dividing lines between white and brown with tiny sprigs of parsley but forget about mimosa egg yolk garnishes, fancy pipings of coloured mayonnaise and other trimmings of that ilk. A plainly dressed crab both looks and tastes better than one which has been fussed and mussed about.

But having said all that, bread, mayonnaise and eggs do go well with crab and it makes sense to foil the richness of dressed crab by accompanying it with plenty of good brown bread, unsalted butter and a salad—preferably cucumber or a mixture of cucumber and watercress. And, if you are catering for particularly copious appetites, also bring to the table a dish of hard-boiled eggs and a bowl of mayonnaise.

### CURRIED SEAFOOD SALAD

Freshly boiled crab is also excellent in mixed salads. Use it with other shellfish such as mussels and/or scallops or prawns—depending on what is freshest and within your budget—and mix with freshly poached fish. The inclusion of as little as 25 per cent. shellfish can bring a touch of luxury to a fish salad. Equal quantities of fish and shellfish seems the ideal. Using much more than 50 per cent shellfish is an unnecessary extravagance I think: the firm texture of, say, rock salmon or—better still—smoked haddock makes a good foil for sweet flavoured shellfish.

I find that a curried mayonnaise sauce is more refreshing than an ordinary mayonnaise. To make enough to serve eight or more, soften a finely diced onion in a little oil with two tablespoons of curry spices. Add half-pint liquor reserved from poaching the fish and boil until reduced by half. When cold, strain and blend the curry-flavoured liquid into one pint of mayonnaise.

Mix the prepared shellfish and fish with a few cashew nuts, some chunks of celery, and crisp green eating apple. Coat the mixture with some of the sauce and pile onto a bed of cold rice (which has been dressed with vinaigrette and mixed with plenty of fresh chopped parsley, dill, and chives). Serve the remaining sauce in a jug and accompany the dish with an undressed salad of lettuce hearts.

# ARTS

## Cheeky chappies

RADIO

ANTHONY CURTIS

Radio puts the plays of the world before our very ears with ease, almost too much ease. I felt this while listening to Ian Cotterell's production of *She Stoops to Conquer* (Radio 4, June 5). He had done a very bland and stylish job with the full works in the form of some music for strings by Michael Steer, Garrick's prologue bewailing the death of sentimental comedy spoken by Anthony Newlands, and at least two epilogues spoken or sung by female members of the cast. As a piece of radio drama in the classic mould you could not fault it.

The old couple, Mr. and Mrs. Hardcastle (Leslie Sands and Elizabeth Spriggs) were the very soul of rustic gullibility, and Judi Dench, at her liveliest, cut through Kate Hardcastle's lines like a buzz-saw, chips flying everywhere, a perfect contrast to the more honeyed tones of Sarah Badel as the other nubile young woman. Michael Williams and Peter Wickham as their lovers sounded gallant and arrogant by turns, just what Dr. Goldsmith ordered. Quite why it was necessary on radio to go to the Royal Ballet for a Tony Lumpkin in the person of Wayne Sleep was never explained; but he knows how to spit vowels with the best of them and certainly the fun never flagged while he was in the drawing-room or the ale-house. I would love to see him dance the role some time, choreographed by Ashton?

Why then, does one have nagging doubts about the success of the production? Well, it's a long play, nearly two hours of jollity, and it was taken non-stop which even in the comfort of one's own home is too long. I could have done with a ten-minute break in concentration, but that is a minor point; there is a deeper one stemming from the different way comedy works on radio and in the theatre. Comedy is a conspiracy; there is always someone who is conning and someone who is getting conned. The more skilful the comedy, the greater the combinations and permutations. Among the conspirators are the members of the audience; laughter is their pledge to uphold the conspiracy. A chap lolling in an armchair with a pair of binaural headphones is a conspirator at one remove. Thus the radio producer somehow has got to involve the listener directly in the comedy, a more difficult task than creating suspense for a thriller or sustaining curiosity about a drama of social realism. I enjoyed the Goldsmith, but I did feel remote from the fun.

Over the past couple of Sundays on Radio 2 we have been hearing a lot about that arch-conspirator of stand-up comedy, Max Miller, in a two-part profile by John East called inevitably *The Cheeky Chappie*. So often nostalgic programmes of this sort suffer from a dearth of live material by the principal figure. Max's heyday on the halls, the late 1930s and 1940s, was not a time when the value of sound archive was fully appreciated, and a lot of good stuff was scrubbed. However, Max seems to have been lucky, and there were some plentiful helpings of him at work in various theatres rattling off his patter, going into his songs. His technique was based on an elaborate wooing of the audience, pretending to take them into his confidence.

The programme, narrated by Mr. East, revealed his touch childhood and his apprenticeship as a light comedian until he emerged, bedecked in his celebrated white trilby and frock-suit as the master of the double-meaning. From the moment he came on he could somehow insinuate an hilarious double entendre into everything he said.

We heard glowing tributes from fellow-professionals like Roy Denton, Sandy Powell and Billy Gray; also Jean Kent, who had to give him the feed-lines in the wartime revue *Apple Sauce*. It would have been interesting to have had a little more about his private personality, which was very different from the highly geared extraversion of his stage presence. At the height of his fame he once proudly showed his salary cheque for the week to a fellow artist who had worked with him when he was getting £4: it was for £1,025.

Max Miller, a drawing by Trog in "The Max Miller Blue Book" compiled by Barry Took (Robson Books, 95p)

Afternoon Theatre has a predominantly feminine audience and is at a time when I am usually unable to listen. However I did hear a recording of *Somebody Else's Smile* a play by Elizabeth Kay (Radio 4, June 9) and was glad I caught it. The characters are patients and staff in a home for elderly women, some disturbed and others incapacitated. They are all involved in each others' lives and in a performance of *The Wizard of Oz* they are rehearsing as a therapeutic Christmas panto. It sounds almost unbearable but author, all-woman cast, and producer, Cherry Cookson, managed to wring some quite subtle comedy out of it. This time I did feel involved.

## Unit 1 plus forty

ART

WILLIAM PACKER

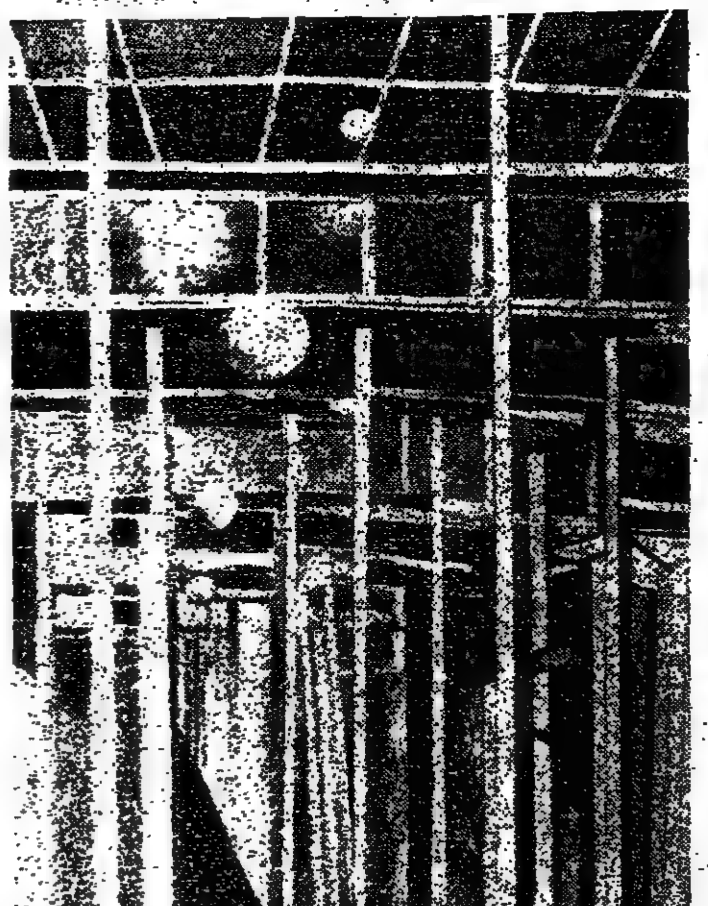
Unit 1 was formed in 1933 by a group of advanced artists and architects with a view to identifying and acting upon a common purpose, in the face of the general and active indifference to their work. Together they covered a wide range of activity, from the elegant abstraction and near-figuration of Nicholson, Hepworth and Moore, to the figurative surrealism of Tristram Hillier, and the bizarre fantasies of Edward Burra. And in between were Wadsworth's amorphous abstractions, and the surrealist landscapes and compositions of Paul Nash and John Armstrong.

A group exhibition was put on at the Mayor Gallery, then as it is once more, after many years in exile, in Cork Street, and a provincial tour arranged. By the time that tour had ended, as is the way with such things, Unit 1 had disintegrated, the internal differences, in preoccupation and attitude, too fundamental to hold together such various and notoriously strong personalities. But, in its brief span, Unit 1 made its mark: the philistine press, national and local, held open season; the public declared itself mystified; and the artists survived, rising on stepping stones of their dead selves to higher things.

It was an excellent idea to try to reconstruct the group, as it showed itself in those middle thirties; but the exercise proved surprisingly difficult, much of the work untraceable, some unavailable in museum collections. Only about a third of this show, to be seen at the Portsmouth Art Gallery as part of the Portsmouth Festival, therefore, is the actual work. It has been filled out admirably, however, with work scrupulously of the period, and each artist is properly represented.

Naturally there are few surprises, for almost all of them now enjoy at least a certain reputation, Moore, Nicholson, Hepworth and Nash very much so, while Armstrong, Wadsworth and Burra have all been comprehensively revived in recent years. Only John Bigge remains entirely obscure, and the work here does not suggest any particular injustice in that. But Tristram Hillier is a surprise, and these early paintings do indicate that a broader view of him would be useful, putting his more familiar later starkly sunlit landscapes into their true context. And there are the two architects, Wells Coates and Colin Lucas, whom it is interesting to see were so closely and creatively involved with the contemporary visual avant-garde.

The exhibition is still rather small; but it succeeds nevertheless, in giving us an authentic whiff of the period, a sense of the collective situation in which a strong-minded and embattled group was working away, on a small scale perhaps, but pushing ahead. The only pity is that another tour has proved impossible to arrange; and Unit 1 must disband again, I suppose for ever, on July 9.



Voyages of the Moon, by Paul Nash

## OPERA

RONALD CRICHTON

The Aldeburgh Festival opened on Thursday at the Snape Maltings with Britten's *Death in Venice* in the familiar but well cared-for production of Colin Graham for the English Music Theatre Ensemble. How much better it is at the Maltings than at Covent Garden. John Piper's Venetian projections glow more brightly; his near-monochrome architectural wings seem less lonely; Ashton's choreography for the beach games that assume transcendent importance in the confused mind of the writer Aschenbach now proceed both more pointfully and with a surer flow, Britten's grasping of Gamelang textures into his score for these scenes more fruitfully organic.

If only the good dancers were more like children, less like tall young Anglo-Saxon ballet school products; if only Craig Wright who dances the boy Tadzio weren't taller than his stage mother Deanne Bergsma and nearly as tall as the Aschenbach of Sir Peter Pears. Mr. Wright glows with holiday health, moves with modest mastery, and gives increasingly the impression that he needs the friendship of the strange old gentleman more than the other way round—of mystery, or ambiguity, or beckoning into unknown worlds of experience there is hardly a sign.

In the multiple role of the Traveller John Shirley-Quirk is as ever reliably versatile though this string of black cameos really needs a sharper sense of caricature and at times (in the episode of the strolling players for example), a streak of blatant vulgarity, missing from Mr. Shirley-Quirk's armoury. Among the large number of tiny roles, the Travel Bureau clerk of Peter Savidge stands out. The various fruit and flower sellers and gondoliers whose sad cries and calls float through the score now sound less indomitably English.

## THEATRES THIS WEEK . . .

ROYAL COURT—*I Was Sitting on my Patio*. Robert Wilson in a small example of his characteristic "performance art", either fascinating or boring according to taste. Reviewed Tuesday/Wednesday.

OLIVIER — *Macbeth*. Albert Finney as Macbeth, Dorothy Tutin as his spouse, in a disappointing production. Reviewed Wednesday/Thursday.

KING'S HEAD—*The Featherstone Flyer*. Comic melodrama ineptly aimed at the pub-entertainment scene. Reviewed Thursday/Friday.

PHOENIX, Leicester— Inanely jokey sociological punk jamboree poking fun at familiar targets. Reviewed Friday.

WAREHOUSE—*The Sons of Light*. Portentous sociological parable with some real poetry lurking among the longueurs, and well produced. Reviewed Friday.

On Monday, the third part of the Wesker Trilogy, *I'm Talking about Jerusalem*, opens at the Shaw. At the Old Vic, *The Lunatic, The Lover and the Poet*, one of Prospect's enjoyable anthologies. And out at Watford, screen-actress Gloria Grahame stars in *Rain*, the play about Maugham's Sadie Thompson.

*Whose Life Is It Anyway?* the Mermaid's success about euthanasia, transfers to the Savoy on Tuesday, making way at the Mermaid for Tom Stoppard's *Every Good Boy Deserves Favour* on Wednesday, with 13 musicians taking the place of the LSO in the original production. At Greenwich on Wednesday, homage to Miss Horniman continues with *The Golden Cradle*—five short Irish plays highlighting the foundation of the Abbey Theatre in Dublin, with Siobhan McKenna and TP McKenna.

On Thursday, the Royal Shakespeare Company opens a new production of Strindberg's *The Dance of Death* at the Aldwych; and on Friday, a new play by David Edgar, *Jail Diary of Albie Sachs*, at the Warehouse.

## Falstaff

by Elizabeth Forbes

Georg Solti returned to Covent Garden on Thursday to conduct the revival of the Zeffirelli production of *Falstaff*. Sir Georg's reading of Verdi's miraculous score is relaxed and genial. If he does not seek for dark undercurrents beneath the dazzling surface, he searches for—and finds—the warm humanity with which the triumvirate of Shakespeare, Boito and Verdi severally endowed their comedy. He does not hurry the music along either: there is time for much glorious orchestral detail to emerge, and there is also time for the singers to fill and shape their phrases. A little sparkle may get lost en route, but the gain in depth and texture and sheer good humour is incalculable.

Falstaff, as so often before in this production, is sung by Geraint Evans. This series of performances will apparently be his last assumptions of the role. In excellent voice, Sir Geraint is especially well suited to this particular view of the opera. His expansive, generous-hearted characterisation—like Cherubino in another piece he is in love with all women—matches the golden afternoon light which is distilled by Georg Solti's conducting. There are many magical moments conjured up by the two artists together; "Mondo ladro," at the beginning of the first scene of the third act is perhaps the most magical of all.

Pilar Lorengar's Alice is another smiling, sunny portrait. Quite without the bossiness that afflicts many Mistress Fords, she rules her household with the softest of velvet gloves on the most flexible of ivory hands. Miss Lorengar sings the part with similar good temper and creamy tone. Just occasionally one might prefer a more brilliant edge to the voice, in particular in the ensembles. Ford is splendidly and strongly sung by Richard Stilwell, whose Jealousy monologue is tinged with bitterness and real pain, but not with despair. Marta Szirmay makes a fine Mistress Quickly; her fruity tones, used to magnificent effect in the scene with Falstaff at the Garter Inn, can lighten and fine down to accommodate the quickest music or the fastest patter.

As Meg, Gillian Knight contributes sturdily to the quartet of women's voices—the role will be sung by Anne Howells at later performances. Norma Burrowes, a direct and youthful Nannetta, floats her fairy song skilfully in the last scene. Ryland Davies, as Fenton, is understandably much enamoured of her and sings with convincing and lyrical ardour. The three comics—John Lanigan as Doctor Caius, Michael Langdon as Pistol and Paul Crook as Bardolph—are allowed to act far too broadly in the first scene: the original direction of this scene was never subtle, and business has accrued over the years like barnacles on a ship's hull. Otherwise Ande Andersen has rehearsed the production smoothly.

## TV ratings

### w/e June 4

U.K. Top 20 Homes Viewing (m)

| | | |
|---|---|---|
| 1 | 79 Park Avenue Part 5 (ITV) | 13.90 |
| 2 | News at Ten Tues. (ITN) | 13.45 |
| 2 | 79 Park Avenue Part 3 (ITV) | 13.45 |
| 4 | 79 Park Avenue Part 1 (ITV) | 12.90 |
| 4 | This Is Your Life (Thames) | 12.90 |
| 6 | Thunderball (ITV) | 12.60 |
| 6 | News (Wed.) (ITN) | 12.60 |
| 8 | Coronation Street Wed. (GRAN.) | 11.80 |
| 9 | Wheels (ITV) (BBC) | 11.60 |
| 10 | That's Life (BBC) | 11.60 |
| 11 | Benny Hill (THAMES) | 11.55 |
| 12 | Starsky and Hutch (BBC) | 11.45 |
| 13 | News Fri. (BBC) | 11.20 |
| 14 | 79 Park Avenue Part 2 (ITV) | 11.10 |
| 15 | Crossroads (Wed.) (ATV) | 10.95 |
| 16 | 79 Park Avenue Part 4 (ITV) | 10.90 |
| 16 | World Cup 1978 France v. Italy (ITV) | 10.90 |
| 18 | Peru v. Scotland (BBC) | 10.75 |
| 19 | Porridge (BBC) | 10.65 |
| 20 | Coronation Street (Mon.) (GRAN.) | 10.55 |

Figures compiled by Audit of Great Britain for the Joint Industrial Committee for Television Advertising Research (JICTAR).

U.S. TOP TEN (Nielsen ratings)

| | | |
|---|---|---|
| 1 | Happy Birthday Bob (comedy) (NBC) | 27.1 |
| 2 | Three's Company (comedy) (ABC) | 25.4 |
| 3 | Quincy (drama) (NBC) | 24.5 |
| 4 | Barbara Walters (interviews) (ABC) | 23.7 |
| 5 | Carter Country (comedy) (ABC) | 22.6 |
| 6 | Rockford Files (drama) (NBC) | 22.1 |
| 7 | Top Secret (movie) (NBC) | 22.0 |
| 8 | Laverne and Shirley (comedy) (ABC) | 21.3 |
| 9 | Incredible Hulk (drama) (CBS) | 19.3 |
| 10 | Project UFO (drama) (NBC) | 19.3 |

## TV/Radio

† Indicates programme in black and white

### BBC 1

7.15-8.30 am *Open University*. 9.10 Playboard. 9.25 The Flashing Blade. 9.45 Calling Young Film-Makers. 10.00 Arlott and Trueman on Cricket. 10.25 "Dr. Who and the Daleks," starring Peter Cushing and Roy Castle. †11.45 Charlie Chaplin in "The Immigrant." 12.15 pm Bugs Bunny.

12.28 Weather.

12.30 Grandstand: Motor Sport (12.35) The Scottish Rally; Hunter Trials (1.00) The Abbey Life Championship of Great Britain; Racing from Haydock Park (1.20, 1.55, 2.25, 2.55); Athletics (2.10, 2.40, 3.30) Great Britain v. German Democratic Republic; Water Ski-ing (3.10) The Old Spice International; World Cup Report (4.40); 5.00 Final Score including cricket scoreboard and racing results.

5.10 *News*.

5.20 Sport/Regional News.

5.25 *World Cup Grandstand*: Hungary v. France.

7.40 The Good Life (BBC prize-winning artists and shows).

8.25 World Cup Grandstand: *Tunisia v. W. Germany and Mexico v. Poland, France v. Hungary (10.35) highlights*.

11.00 News.

11.10 Saturday Night at the Mill.

All Regions as BBC 1 except at the following times:—

Wales—12.00 News and Weather for Wales.

Scotland—12.00 News and *Weather for Scotland*.

Northern Ireland—5.20-5.25 pm Northern Ireland News and Sport. 12.00 News and Weather for Northern Ireland.

### BBC 2

7.40 am-2.45 pm Open University.

3.00 pm Saturday Cinema: "Yolanda and the Thief," *starring Fred Astaire*.

4.45 The Money Programme: The New Squirearchy.

5.30 Marilyn Monroe in "The Prince and the Showgirl" also *starring* Laurence Olivier.

7.25 News and Sport.

†7.40 *Marilyn Monroe* in "The Misfits," also starring Clark Gable and Montgomery Clift.

9.40 Royal Heritage, part 2: The Tudors.

10.40 Welsh Triple Bill.

11.10 M*A*S*H.

11.35 *Midnight Movie*: "The Halls of Montezuma" starring Richard Widmark.

### LONDON

*8.50 am Sesame Street*. 9.45 Half Our Show. 10.15 The Monkees. 10.45 Our Show (part 2). *11.30 Spencer's Pilots*.

12.30 pm World of Sport: 12.35 World Cup '78; 12.55 International Sports Special (1) European Acrobatics Championships from Riga, USSR; 1.15 News from ITN; 1.20 The ITV Six—1.30, 2.00 and 2.35 from Catterick; 1.45, 2.20 and 2.55 from Epsom; 3.10 International Sports Special (2) Professional Boxing — Ken Norton v. Larry Holmes from Caesar's Palace, Las Vegas; 4.00 Wrestling; 4.45 Results Service.

5.05 News from ITN.

5.15 The Life and Times of Grizzly Adams.

6.10 Celebrity Squares.

6.55 The Incredible Hulk.

8.30 World Cup '78—Mexico v. Poland *and highlights from* the France v. Hungary match.

*10.25 News*.

10.45 World Cup '78—Italy v. Argentina.

1.30 am Close—Music by Beethoven and a painting by Rembrandt.

All IBA Regions as London except at the following times:—...

### ANGLIA

9.25 a.m. Undersea World of Captain Nemo. *11.30 Star Maidens. 12.00 Stars on Ice*. 1.30 a.m. At the End of the Day.

### ATV

9.05 a.m. Musket Fife and Drum. 9.30 Sesame Street. 10.30 ATV Saturday Morning Picture Show including "Africa—Texas Style" and The Super Serial Mystery Island. 5.15 The Six Million Dollar Man.

### CHANNEL

12.18 p.m. Puffin's Platttice. 1.25 a.m. Weather.

### GRANADA

9.30 a.m. Sesame Street. 10.25 Paul. 10.55 Saturday Matinee: "Thunderbirds Are Go."

### HTV

9.00 a.m. Rabbit Transit. 9.15 Old House, New Home. 10.15 Batman. 11.30 Space 1999.

HTV CYMRU/WALES—As HTV General Service except:— 6.10 p.m. Cartoontime. 6.25-6.55 Sion A Sian.

### SOUTHERN

11.30 a.m. Weekend followed by Regional Weather Forecast. 11.40 Code R.

### WESTWARD

9.00 a.m. Survival. 9.25 The Beatles. 10.50 Saturday Morning Feature Film: "The Silver Fleet." 11.30 Gus Honeybun's Birthdays. 11.35 Island of Adventure. 1.25 a.m. *Faith for Life*.

### YORKSHIRE

9.00 a.m. *Early Musical Instruments*. 9.25 The Adventures of Muhammad Ali. 9.50 Saturday Scene Action Adventure: "Tarzan and the Valley of Gold." 11.30 Extraordinary. 12.00 Run, Joe, Run.

### RADIO 1 247m

(S) Stereophonic broadcast

5.00 a.m. As Radio 2. 8.06 Roy North with Junior Choice (S) including 8.32 Cross-Channel Motoring Information. 10.00 Adrian Juste. 12.00 Paul Gambaccini. 1.31 Rock On (S). 2.30 Alan Freeman (S). 5.31 Robbie Vincent with soul and disco music (S). 6.30 In Concert (S). 7.30 As Radio 2. 11.02-2.02 a.m. As VHF.

VHF Radios 1 and 2—5.00 a.m. With Radio 2. 8.06 With Radio 1. 10.00 With Radio 2. 1.30 p.m. With Radio 1. 7.30 With Radio 2. 11.02 Peter Wheeler with *The Late Show (S) including 12.00 News*. 2.00-2.02 a.m. With Radio 2.

### RADIO 2 1,500m and VHF

5.00 a.m. News Summary. 5.02 Tom Edwards with The Early Show (S) *including 8.03 Racing Bulletin*. 8.06 As Radio 1. 10.02 Tony Brandon (S). 12.02 p.m. Two's Best (S). 1.02 Punch Line. 1.30-5.55 Sport on 2: World Cup Special (1.30, 2.00, 5.00) Preview of tomorrow's Scotland v. Holland match; Racing from Epsom (1.40, 3.50 plus results from other meetings with a classified check at 5.00); Athletics (1.30, 2.00, 3.00, 5.00) Britain v. East Germany; Tennis (1.30, 2.00, 3.00, 5.00) French Championships; Cricket (1.30, 2.00, 3.00, 5.00, 5.45) The Pakistan Tourists Team v. Hampshire, news of the Schweppes Championship—Derbyshire v. *Glamorgan; Cycling (1.30, 2.25, 5.30)* The 21st Milk Race plus news of Motor Sport. 6.03 Cross-Channel Motoring Information. 6.04 Europe 78. 7.02 It's A Funny Business says Roy Castle. 7.30 Sports Desk. 7.32 BBC International Festival of Light Music (S): An Evening in Vienna, part 1. 8.30 *Talk by Steve Race*. 8.50 Concert, part 2. *10.02 Saturday Night with the BBC* Radio Orchestra (S). 11.02 World Cup Special: Italy v. Argentina including Sports Desk and 12.00 News. 1.05 a.m. Join VHF. 2.00-2.02 News Summary.

### RADIO 3 464m, Stereo & VHF

‡ Medium Wave only

‡7.55 a.m. Weather. 8.00 News. 8.05 *Aubade* (S). 9.00 *News*. 9.05 *Record* Review (S). 10.15 Stereo Release (S). 10.35 Berkeley and Ravel concert (S). 11.20 BBC Symphony Orchestra: Berlioz (S). 1.00 p.m. News. 1.05 What The Papers Said after the Declaration of American Independence, 1776. 1.18 *Schubert chamber music concert* (S). 2.15 Man of Action: The Rev. Paul Oestreicher chooses records (S). 3.35 Music of the Masters (S). 5.00 Aldeburgh Festival 1978 "Death in Venice," opera in two Acts, music by Britten, Act 1 (S). 6.30 Personal View by Theodore Zeldin. 6.55 Aldeburgh *Festival: "Death in Venice." Act 2* (S). 8.10 Critics' Forum. 9.00 Alkan piano recital (S). 9.55 Islam in the Modern World. 10.55 Sounds Interesting (S). 11.35 News. 11.40-11.45 To-night's Schubert Song on record (1927).

Radio 3 VHF only—6.00-8.00 a.m. Open University.

### RADIO 4

434m, 330m, 285m and VHF

6.30 a.m. News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather; programme news. 7.00 News. 7.10 On Your Farm. 7.40 To-day's Papers. 7.45 Yours Faithfully. 7.50 It's A Bargain. 7.55 Weather; programme news. 8.00 News. 8.10 Sport on 4. 8.45 Yesterday in Parliament. 9.00 News. 9.05 International Assignment. 9.30 The Week in Westminster. 9.55 Newsstand. 10.15 Daily Service. 10.30 *Pick of the Week*. *11.20 Time for Verse*. 11.30 Science Now. 12.00 News. 12.02 p.m. Away From It All. 12.27 The News Quiz (S). 12.55 Weather; programme news. 1.00 News. 1.15 Any Questions? 2.00 War and Peace. 3.00 News. 3.05 Does He Take Sugar? 3.35 Music of the Masters (*as Radio 3*). 5.00 *Kaleidoscope Encore*. 5.30 Week Ending . . . (S). 5.55 Weather; programme news. 6.00 News. 6.15 Desert Island Discs. 6.50 Stop The Week with Robert Robinson. 7.30 These You Have Loved (S). 8.30 Saturday-Night Theatre. 9.58 Weather. 10.00 News. 10.15 The Age of Operetta: "The Land of Smiles," by Franz Lehar (S). 11.00 Lighten Our Darkness. 11.15 News.

### BBC Radio London

206m and 94.9 VHF

5.00 a.m. As Radio 2. 7.32 Good Fishing. 8.00 News; weather, traffic, shopping, sports news. 8.15 The London Gardener. 8.30 David Kramer with *Saturday Scene*. 11.30 The Robbie Vincent Saturday Show. 2.00 p.m. Bob Powel with London Country. 6.30 Marjorie Bilbow with Close Up. 8.00 Close: As Radio 2.

### London Broadcasting

261m and 97.3 VHF

5.00 a.m. Morning Music. 6.00 A.M.: with Dickie Arbiter. 10.00 Jellybone with Therese Birch. 1.00 p.m. Saturday Sport. 5.00 After Six—with Ian Gilchrist. 6.30 Hugh & You with Hugh Williams. 7.00 Geet Mala—music, information, interviews in Hindustani. 8.00 Saturday Music. 9.00 Nightline with Alan Nin. 1.00 a.m. Night Extra with Hugh Williams.

### Capital Radio

194m and 95.8 VHF

6.00 a.m. Kerry Juby's Breakfast Show (S). 9.00 Capital Countdown with Peter Young (S). 12.00 Kenny Everett (S). 2.00 p.m. Afternoon Delight with Duncan Johnson (S). 5.00 Joan Shenton's Person to Person (S). 6.00 Greg Edwards's Soul Spectrum (S). 9.00 Nicky Horne's Mummy's Chart (S). 11.00 Mike Allen's American Dream (S). 12.00 Mike Allen's Backseat Boogie (S). 2.00 a.m. Peter Young's Night Flight (S).

### CHESS SOLUTIONS

**Solution to Position No. 219**

1 . . . BxP! 2 QxKP (2 QxB, QxQ ch; 3 KxQ, RxB with a won endgame), Q-Q1! (not PxQ; 3 RxQ); 3 Q-N3, B-R1; 4 QR-K1, Q-Q2 and White resigned. The long diagonal threat Q-B3 or Q-N5 ch is decisive.

1 . . . QxP ch? is a mistake: 2 QxQ, BxQ; 3 B-N4! attacking two pieces.

**Solution to Problem No. 219**

1 Q-KR7. If 1 . . . N-B6; 2 Q-N1 ch, NxQ; 3 N-B2, or if PN8(Q); 2 N-B4 ch, Q-R7; 3 Q-KR1, or if P-N8(N); 2 Q-QN7, NxN; 3 RxN, or if K-R7; 2 QxN, P-N8(Q); 3 QxQ.

## WEEKEND CHOICE

An extended edition of The Good Life, with Penelope Keith, Richard Briers, Felicity Kendal and Paul Eddington provides a little home-brewed seasoning in an evening otherwise made up of films and football. This special edition of the BBC-TV comedy series was recorded in front of the Queen and Prince Philip and concerns the efforts *of our hero to keep fit*.

This is probably a better bet than the second of two Marilyn Monroe films being shown on BBC 2 with which it clashes, The Misfits, but the first of this duo is well worth the time. *Monroe gives of her best with* Laurence Olivier in The Prince and the Showgirl.

Apart from The Good Life only BBC 2 prevents this from being a good night to spend at the pub.

Sunday offers the prospect of the last rites over Scotland's bid for the World Cup, miracles can happen but it is probably better to steel ourselves for another orgy of knife twisting on the part of assembled experts *in various parts of the globe*.

The BBC 2 alternative is an innocent enough suspence film, Gambit with Michael Caine and Shirley MacLaine. The Devil's Crown (BBC 2 10.30) will come as a pleasant upturn to the night's viewing as the series moves off to the Crusades with Richard I.

A.S.

Penelope Keith

# COLLECTING

## Words of value

BY JUNE FIELD

EXCELLENT definitive books for specialist collectors continue to appear, and in spite of their cost, will undoubtedly prove to be an attractive investment, combining as they do, scholarly attributes with visual appeal.

The magnificent catalogue *raisonné* of the graphic work of the prolific artist Georges Rouault (1871-1958) is available in this country from today. *Rouault. Oeuvre Gravé* (Editions Andre Sauret, Monaco), by François Chapon, in collaboration with the artist's daughter Isabella Rouault, and Olivier Nouaille-Rouault, is a superlative production, with text in French, English and German.

There is a wealth of correspondence quoted, some of which reveals the love-hate relationship that must often exist between artist and art dealer. In 1917 Rouault wrote to Ambroise Vollard, dealer, publisher and author: "In a nutshell, I think that you are one of those rare men, and this is not flattery, who understands that an *artist* needs to be given the freedom of the time to work at thinking out his next work." Yet the following year the tone was quite different: "If you lose this letter, then I shall destroy all the copper plates for Ubu, I shall give the whole thing up, I shall deface them in a fury."

(Vollard's anthology *Réincarnations du Père Ubu*, based on Alfred Jarry's character *Ubu Roi* (1896) was finally published in 1932.)

The circus held a special appeal for Rouault, born in a poor quarter of Paris, the son of a cabinetmaker. The artist felt that, for all their gaudy attire, circus performers led a life of infinite sadness, writing to the author Edouard Schuré in 1905: "We are all more or less clowns, it is life that makes us wear a spangled coat . . ."

Putting flesh on the words is an evocative exhibition of 14 of Rouault's oil paintings which opens today until June 28 at The Fine Art Society, 148, New Bond Street, London, W.1. The paintings, which come directly from the family and bear the studio stamp, include *The Clown With The Big Drum, Sad Clown*, and *Solitary Pierrot*. The exhibition has been organised by Richard Nathanson, consultant in Impressionist and 20th-century art, who will send a catalogue listing and book details for large sae. (On display, too, is a copy of the limited edition of 220, which contains an original etching of Rouault's powerful study, *The Acrobat*. The price is £200, with general format copies at around £35 on their way.)

"Musician Clown", by Georges Rouault (1871-1958), in an exhibition organised by Richard Nathanson which opens today until June 23 at The Fine Art Society, 148 New Bond Street, W.1.

I first discussed Potter Books some two years ago when they produced their initial well-researched catalogue consisting of publications and periodicals illustrated by British artists of the 19th and 20th centuries. Since then they have brought out some five equally excellent listings, all of considerable interest to book and art collectors, mainly because of the way they have matched up original drawings with the works in which they appeared, together with related material such as wood blocks, engravings, dust wrappers and other printed ephemera.

Now they have just published their first book, under the imprint of The Pendomer Press, *John Nash — the painter as illustrator*, by designer John Lewis, with a detailed bibliography by Simon Heneage, partner in Potter Books.

Mr. Lewis' book is in the mould of the recent *Reynolds Stone's Engravings*—a joy to handle, a delight to read, an authoritative study of the illustrations that Nash (1893-1977), provided for more than 40 books and various magazines between 1919 and 1972.

It can be bought from Potter Books, The Raswell, Loxhill, Godalming, Surrey, for £14.50, plus 80p postage, or send sae for illustrated leaflet and a prospectus on a special edition of 150, which also contains a portfolio of six wood engravings printed from the original blocks at the Rampant Lions Press, Cambridge.

This edition is to be shown at the John Nash Studio Memorial Exhibition at the New Grafton Gallery, 42, Old Bond Street, W1, which finishes on Wednesday; and at the National Book League, 7, Albemarle Street, W1; where Potter Books have organised an exhibition, "British Book Illustrators Since 1900," on now until June 17. This includes original watercolours and drawings from some 30 illustrators, including Nash, at prices from £15-£500.

Dr. Carl Hernmarch's *The Art of the European Silversmith 1430-1830* (2 volumes, £80, Sotheby Parke Bernet), which is being published on Monday, is beautifully presented and extraordinarily readable for a highly academic work. And as the author, one-time Curator of Decorative Arts in the Swedish *Nationalmuseum* in Stockholm, explains, it is primarily a book of *types* of silver, which are analysed and illustrated with the best available examples. This makes it an indispensable aid to collectors who above all need to know the shapes of p need to know the shapes of pieces as well as the historical and cultural circumstances which gave rise to various objects, plus the uses to which they were put.

## Tracking the exports

ART MARKET

FT/SOTHEBY REVIEW

IT IS FITTING that a splendid new monograph on Chinese export porcelain* should appear under the imprint of Sotheby Parke Bernet, for as the authors, David Howard and John Ayers, point out, these wares, so long disregarded by "serious" collectors, have been rediscovered in recent years largely through the activities of dealers and auction houses selling to an ever-expanding group of, in the main, private collectors.

The authors have chosen to base the illustrations for their two-volume study on the most important of these private collections formed by the Americans Rafi and Mildred Mottahedeh. The size and range of this particular assemblage are extraordinary and are the result of nearly half a century of dedicated search. However, the major market in such wares is hardly more than a decade old and far more pieces appear regularly through dealers and salerooms today than was the case when the Mottahedehs began their collection. Therefore, the new collector, who may well find himself delighted and often amused by the 800 or so pieces illustrated in these volumes, will be able, with sufficient funds, to assemble a good collection for himself. Chinese export porcelain was produced in vast quantities from the 15th century onwards, reaching its peak in the 18th and 19th centuries. There is a large flow to the market today and, despite the authors' doubts, it is not difficult to imagine that a new collector with sufficient dedication and love of the subject might well be able to form a group of similar importance to the one illustrated here. It is, in other words, a subject still very much alive.

For anyone interested in any aspect of the history of world ceramics, these volumes are fascinating. For some, the objects illustrated might represent the depth of commercialism, for others, one hitherto unexplored facet of the Chinese potter's genius. It is certainly interesting to have such volumes today, when aesthetic opinion tends to the view that the true greatness of Chinese ceramic art lies above all in the work of the T'ang and Sung dynasties, with a grudging acceptance of Ming. One wonders, for instances, how Bernard Leach would consider the following description of Chinese export porcelain: "At the highest, they were of a refinement acceptable to princes, and at the lowest they provided rice-bowls for peasants." Rice-bowls for peasants, Leach and the many who agree with him would argue, are most frequently the purest, and yet most noble, expressions of Oriental ceramic art, while princes, with one important exception in the present century, are not noted for their ability to discern true greatness in ceramic art. Indeed, the word "refinement" in the context of Chinese export porcelain is unfortunate, since it seems to be used too often as a synonym for elaborateness in decoration.

What becomes immediately apparent is the extraordinary wealth of decorative motifs chosen by the makers of these porcelains, which were intended not only for export to Europe but also to India, the Middle and Near East and the Americas. Services were decorated with the coats-of-arms of Europeans and Mexican nobility; there are pieces bearing Masonic arms and emblems, pieces with mythological subjects, literary themes and subjects derived from European prints. The tracking down of sources—which family's arms or which print was copied—has proved one of the most rewarding (and entertaining) art historical detective games of recent years and one which will, no doubt, be played for many years to come.

Of the pictorial subjects, the author's remark: "This wide classification of themes—most of them concerned with subjects of love, beauty and happiness—derive from the great variety of prints and pictures with subjects based on artists' engravings (usually erotic) of these, which flowed into China from 1740 onwards. If they had any common factor it must have been the popularity which, it was hoped, would attend their advent in the form of porcelain in the markets of Europe." The results are delightful, with the charm of 17th century delftware: the subjects range in degrees of explicitness, and include a handsome punch-bowl (catalogue number 368) upon which there is depicted a veritable orgy. On many of the pieces, the quality of the decoration, although colourful and always lively, is somewhat crude: on others, however, such as the superb tea-bowl and saucer (catalogue number 360), the quality of the porcelain body is of the highest standard and is decorated with rich, thick enamels delicately applied. Such examples as this must be numbered with the finest products of the K'ang Hsi and Chien Lung periods.

Many of the sources in European engravings have been discovered and it is also known that some European artists were commissioned to design decorations for Chinese export porcelain. One such minor painter was Cornelis Pronk, who was commissioned by the Dutch East India Company in 1734 to produce designs which could be used as the basis for decoration "of all such porcelain as will be ordered from time to time in the Indies, with all their colours properly put in, blue as well as gilt and other colours, and in various fashions." The joint authors of the present monograph have produced what must be the most complete account to date of this elusive artist, a figure who, were it not for the fortuitous accident of having been chosen to design decoration for Chinese porcelain, would, no doubt, have sunk into total obscurity: as it is, he remains a figure of considerable importance to students of ceramic history.

* David Howard and John Ayers: China for the West. Sotheby Parke Bernet, 1978, 2 volumes, £85.

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY

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Saturday June 10 1978

# The far side of the hill

ONCE AGAIN, the Grand Old Duke of York has been sent out on manoeuvres; and as on every previous occasion, having marched his troops up to the top of the hill, he can be expected in due course to march them down again. In the eyes of the authorities, the City has had its pound of flesh; in the eyes of the City, the authorities have at last, and reluctantly, taken the action which was always necessary to prevent an excessive Government borrowing requirement from causing an explosion in the money supply. Prospects for growth, investment and profits are measurably worse, as has been recognised in the equity market; prospects for inflation, monetary control, the balance of payments and sterling have improved, and the gilts market has spent a day and a half celebrating the fact.

## Small cuts

The question is, of course, how much real change has been achieved. The squeeze announced on Thursday, however dramatic its results in the market, is quite a mild one by the standards of the past. The one point rise in interest rates will, on past form, be reversed before long: indeed the market expects that the first of what is usually a long series of small cuts in the lending rate can be expected in a matter of days, or at most a few weeks. The corset restriction on the banks appears a tight one, since it involved quite a sharp reduction in their books by the autumn; but there has been so much deep breathing—in the form of artificial inflation of liabilities and assets—during the months while the writing has been visible on the wall that the corset is probably not too uncomfortable a fit.

The prospective fiscal balance is much where it was on Budget day. Indeed, by far the most important change since then has been the previous rise in interest rates, both short and long, and a further cut in personal tax, financed by a tax on employment. Growth can be expected to continue: the sharp rise in investment expected for this year will be little abated, though prospects for 1979 must now be decidedly flat.

It is worth considering why the Government has chosen this obviously damaging way to conduct policy. The monetary difficulties posed by the Budget are clearly more severe than the Government expected. Lending rates were raised by one point on the day: a four point rise has proved necessary. The adjustment of gilts yields has been slow and reluctant. In one sense, though, electoral considerations have favoured monetary discipline. Because of the well known habit of the Duke, the Cabinet has been persuaded to act earlier than it has in previous crises—partly, no doubt, in the hope that the counter-march will have gone far enough by polling day to enable the whole episode to be brushed off as a little local difficulty in the City.

The new surcharge on employment is a different matter. This particular shift in the tax burden, however objectionable it may seem to a detached observer, is official Liberal policy, and has appeared from the start as a path of least political resistance if the Opposition should enlarge the Chancellor's tax cuts. Its effect on the man in the street will be slow enough to please electoral planners.

However, the Chancellor's motives may not have been entirely a matter of cynical calculation. There is one cause which both he and the Prime Minister hold very dear, though it may appear a lost cause to others: to cajole the unions into a rational degree of restraint in the coming wage round. The motives are partly political and partly economic.

The desire to win union support was clear from the design of the Budget; it may help to account for the risks run with the borrowing requirement, and must certainly have reinforced Mr. Healey's inclination to charge any Opposition tax cuts against the corporate sector. What remains to be seen is whether anything real has been bought at this considerable cost in investment and growth.

## Wage moderation

The Chancellor and the Prime Minister clearly hope that their measures, coupled with reduced inflation and higher real incomes, and with the very strong desire of the union leaders to help Labour electorally, mean that the chances of wage moderation are now as good as can be contrived. If the unions can deliver, then the inflation prospect will be further improved, and the financial markets will be in good heart; they are not, as experience has shown again and again, politically motivated. Investors who fancy the Government's chances of achieving something real on wages will probably regard present gilts yields as generous. Companies, on the other hand, face the bill for the present measures, and equities are only likely to recover on solid proof that Government policies are achieving their objective.

# The price of the Budget errors

By PETER RIDDELL, Economics Correspondent

THE LATEST package of monetary and fiscal measures and the associated rise in mortgage and bank interest rates announced yesterday has been blamed on almost everyone. Among the alleged culprits are the Government for economic mismanagement, the Opposition for irresponsible amendments to the Financial Bill and diehard monetarists in the City for creating a ramp to force up interest rates; only Mr. Ally MacLeod of the Tartan Terrors has so far escaped blame, probably because of evident ineffectiveness.

There is a little in each of the charges but the Government must take most of the responsibility. The main reason why Mr. Healey has to introduce what amounts to a mini-budget—his 14th in 51 months according to assiduous counters—is that his main spring Budget of only eight weeks ago failed to carry conviction with the market. And as Mr. Healey has ruefully remarked several times, one of the main lessons he has learnt is that "there are fairly strict limits within which it is possible to withstand market pressures."

The problem was that the market — reinforced by the views of the growing band of brokers' analysts — did not believe that the Government's fiscal and monetary policies were compatible. Mr. Healey announced what was seen as a modest fiscal stimulus of £2bn in 1978-79. This raised the amount the public sector would have to borrow to £8.54bn, nearly £3bn higher than the outcome for the last financial year. At the same time, the Chancellor attempted to deal with City worries by announcing a tighter monetary target for 1978-79—a reduction in the rate of increase in the broadly defined money supply from a range of 9 to 13 per cent to between 8 and 12 per cent. And in order to demonstrate the seriousness of his commitment to maintaining a tight rein on the monetary aggregates, Mr. Healey raised Minimum Lending Rate by a full percentage point to 7½ per cent.

The fiscal stimulus was immediately criticised as too large; indeed the tax cuts were bigger than had been suggested by some of Mr. Healey's own Treasury officials. The main objection in the City was that the high level of public sector borrowing could not be made consistent with the tighter monetary target unless further restrictive measures were introduced. But any squeeze would have to be on the private sector whose demand for bank finance was expected to rise as the rate of economic activity picked up.

Market confidence in the Government and the Budget arithmetic was further undermined by some clumsy remarks by ministers only the day after the Budget about the possibility of a further stimulus later in the year. These suggestions were immediately played down but the damage had been done.

The Government's defeat on the Finance Bill committee stage, adding about £500m to public sector borrowing in 1978-79, did not help either. The Government promised to introduce any necessary offsetting measures at the Commons report stage and reiterated its commitment to a borrowing and domestic credit ceiling in a letter to the International Monetary Fund towards the end of May. But the Government did not take specific action, and the authorities' response was limited to allowing a further rise in MLR—up to 9 per cent compared with 6½ per cent before the Budget. These rises in MLR appeared to be ineffective, however.

The final twist was provided by the economic indicators which confirmed that the money supply had been rising at well above the permitted rate during the last financial year. Meanwhile, the current account of the balance of payments had moved sharply, and probably erratically, into deficit in the first three months of this year, and the partly consequent fall in sterling revived concern about a rise in the rate of price inflation towards the end of 1978.

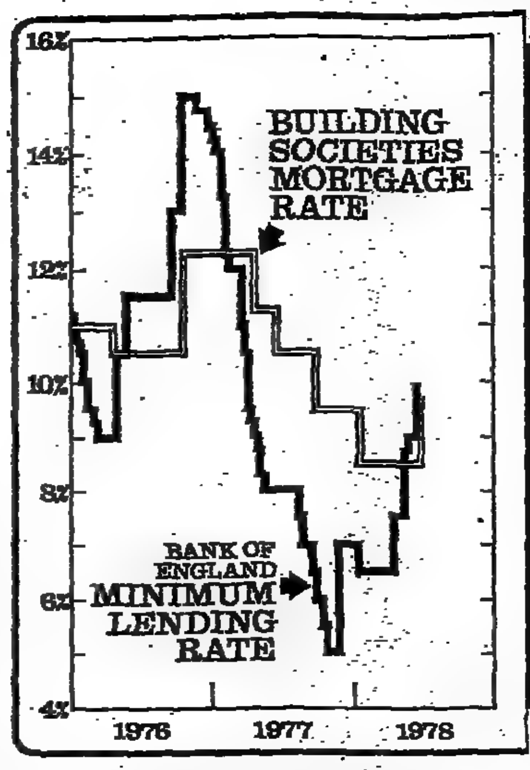
The result of this combination of market scepticism, Government mishandling and unfavourable economic news was that sales of gilt-edged stock by the Government Broker were at a very low level. The reluctance of institutions such as insurance companies and pension funds to buy stock only compounded the money supply problem. This is because a large part of the public sector's deficit has to be funded through sales of gilt-edged stocks outside the banking sector to ensure that the monetary target is met.

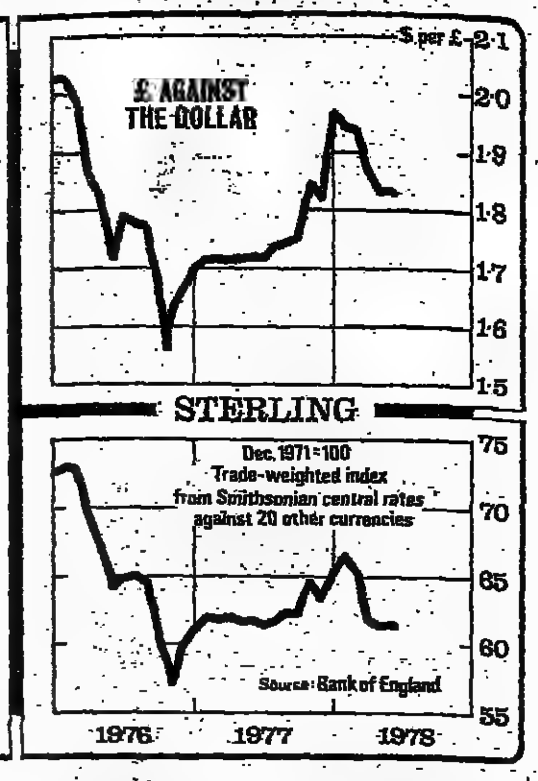
The recent impasse has highlighted yet again the feast-and-famine nature of the authorities' current methods of funding. Reliance is placed on a bull market in gilt-edged prices and falling interest rates in order to sell stock, and funding becomes very difficult when expectations change. This produces both sharp variations in sales of gilt-edged stock and in interest rates.

Faced by this dilemma, the Treasury and the Bank of England had a lengthy debate about whether to change the present funding system and about what mix of fiscal and monetary measures were necessary to get the market moving again. The response was on traditional lines and was intended to deal with both the fiscal and monetary worries. The fear was that any delay might lead to renewed pressure on sterling, which has been relatively quiet in the last five weeks after the heavy outflows of the previous month.

Mr. Healey: failed to carry conviction.

The measures were presented as a policy correction intended to bring public sector borrowing down to the originally projected level of about £8½bn and to deal with the Finance Bill defeats. The package achieves this—at least in the very limited sense that the Treasury's original Budget judgment of how the economy is developing has not changed and the rise in the employers' national insurance surcharge merely offsets the loss of revenue from the income tax cuts in the current financial year.




Indeed, the fact that the Government has done no more than offset the Finance Bill defeats has led to criticism from those who believe that the original borrowing requirement projection was too high in the first place. The authorities have effectively sought to make their borrowing and monetary targets compatible by squeezing the private sector through the monetary aspects of the package—raising MLR by another point to 10 per cent and reintroducing the so-called corset controls, or supplementary special deposits scheme as it is known, on the banks.

Behind the technicalities the corset will force the banks to reduce their interest bearing deposits if they are to avoid paying penalties. This restriction is somewhat tighter than when last imposed between November 1976 and August 1977 and will mean that the banks will have to curb their lending, which has recently been showing signs of picking-up. The main impact is likely to be felt by the personal sector, especially as the clearers and their consumer credit offshoots have recently been competing actively to increase their advances here.

The banks have already made it clear that they will give manufacturing industry priority in their lending — in line with a direction from the Bank of England issued at the time of the Budget. This is just as well since the fiscal part of the package — the rise in the employers' national insurance surcharge — will strain industry's cash flow just when there is a rising demand for money to finance higher investment and the rise in physical stocks associated with a pick-up in economic activity. The full year revenue effect of the higher surcharge is about £1.5bn compared with £520m in a full year for the income-tax reliefs pushed through the Finance Bill committee, so the longer term impact is clearly restrictive.

The CBI has already attacked the higher surcharge; on its calculations the result will be the eventual loss of 100,000 jobs — on the conventional forecasting arithmetic — and a rise in retail prices of 1¼ per cent. The price and cash flow effects of the higher surcharge do partially offset each other.

Moreover the move will also erode the competitive position of British goods in overseas markets. This is because unlike Value Added Tax the surcharge is charged on exports and not imports and operates just like a rise in other wage costs. Sir John Methven, the CBI's director-general, estimated the net unfavourable effect on the balance of payments could be up to £300m a year, though other indirect results of the package could reduce the impact.

From an economic point of view this aspect of the package is short-sighted and reduces the hopes of sustained recovery in investment and economic activity. The higher surcharge was clearly preferred for electoral reasons. This is because unlike the alternatives of a rise in VAT or higher duties on tobacco or alcohol, the main unfavourable price and employment effects are indirect and come well after any October election.

The Government has not been able to avoid unpleasant medicine for the personal sector, however, since the further rise in MLR led yesterday to a 1¼ percentage points rise in the building society mortgage rate to 9¾ per cent and a one point rise in the clearing banks' base rates to 10 per cent. Thus not only will both overdrafts and mortgages be more difficult to obtain than a few months ago but they will also be appreciably more expensive.

## Interest rate movements

A one point rise in the mortgage rate had anyway been expected to be announced yesterday and Thursday's package only raised the increase by a quarter of a point. Similarly, a rise in clearing bank base rates had been likely soon because of movements in money market interest rates. The banks have now increased their base lending rates by 3½ percentage points in the last couple of months and the result is that even for a top-quality industrial company interest payments will be at least 11 per cent on an overdraft and a personal customer is likely to be paying up to 15 per cent. This is the price of the Budget errors.

The package as a whole could be regarded as overkill, at least in terms of monetary policy, and many City analysts regard short-term interest rates as on the high side for the state of the economy. But the official view is that the higher interest rates were necessary to get the gilt-edged market moving. Indeed the measures appear to have passed the initial test as sales of gilt-edged stock since Thursday lunchtime have been very large. These sales coupled with the adjustment of bank deposits necessary to comply with the corset limits are likely to mean that the money supply could fall in the next month or two.

If this success can be maintained then there may be scope for reducing MLR later in the summer; indeed the bait of a late reduction is one of the main inducements to buy gilt-edged stock now. But doubts remain, notably about the continuing size of the borrowing requirement and about the prospects for inflation after the end of Phase Three of the pay policy in July.

There are likely to be restraining factors both on the monetary and fiscal side, ruling out any kind of July package. This applies almost whatever emerges from the seven-nation economic summit in Bonn in a month's time, and the expectation is that any agreement on action to boost growth will make little difference to the UK's short-term prospects. Nevertheless, the Government clearly sees political advantages in having made an adjustment now rather than later, perhaps after a sterling crisis in July or September.

The high level of public borrowing and the earlier monetary stance would probably have forced a crisis at some time. But the existing methods of selling gilt-edged stock have aggravated the problem and produced a similar kind of funding crisis as occurred in 1976. So the apparent temporary resolution of the impasse with conventional methods is unlikely to reduce the pressures, notably from within parts of the Treasury and the City, for changes in the way gilt-edged stock is sold — for example, regular auctions or sales by tender — to avoid such a diet of feast and famine.

# Letters to the Editor

## Pension funds

*From the Director-General, Royal Institute of Public Administration.*

Sir,—What an exciting spring it is! In Argentina the World Cup: in Britain the latest match between the Chancellor of the Exchequer and the pension fund barons over the rates of interest to be paid on government stocks. The worst that can befall the nation from the Buenos Aires result is a passing hangover, through much-needed consolation over-indulged. For many Britons, however, the present contest in the London money markets could have much more significant consequences.

The Chancellor believes that there would be general advantage in keeping interest rates as low as possible. The pension fund barons feel themselves duty bound to force these up as high as they can. Success to the barons will mean higher borrowing costs for trade and industry and dearer mortgages for home buyers. The marginal long-term benefits secured for the minority of the nation's citizens who are in funded pension schemes will thus be bought at the cost of discouragement to industrial investment, from which the nation as a whole will presently suffer. The pension fund members themselves who are home buyers, or hope to be, will have higher charges to meet from their weekly or monthly pay packets—for which they are hardly likely to thank those who are supposed to be acting in their best interests.

Unfortunately there is no Hampden Park in which those who benefit from low interest rates—the captain of industry, the home buyer and the man in search of a job—can gather to cheer on the Chancellor and his strikers, the Governor of the Bank of England and the Government Broker, to new and unremitting efforts. Moreover, the absence of physical spectacle in the money market match deprives it of the television coverage its importance so manifestly deserves. An exceptionally heavy responsibility thus rests upon the Wilson Committee to take a hard look at Britain's employer-based system of retirement pensions, with its plethora of pension funds, and to consider if its growth has been one of the causes of Britain's recent economic decline.

The Chancellor himself could improve his prospects of victory, in future seasons, by no longer tolerating the funding of the pensions liabilities of 2.6m employees in local government and the nationalised industries. He more than anyone else is helping to create enormous funds that will almost certainly never be used to any significant extent, and are constituted so as to be beyond public control or influence. This year they will grow by £2bn, much of which will come from Exchequer revenues, directly or indirectly. By switching the pensions schemes concerned to the pay-as-you-go method of financing, and using the investment income from the funds already accumulated, the Chancellor would appreciably reduce the public sector borrowing requirement and so be less at the barons' mercy.

At the behest of the Expenditure and Public Accounts Committees the Treasury should now be reviewing the need to maintain pension funds for local government officers and nationalised industry employees. The Wilson Committee could usefully inquire about the progress the Treasury is making in this task and the considerations in regard to it that seem to them to be paramount. In this way the committee would ensure that a major problem of public finance was subjected to proper public scrutiny and debate.

Raymond Nottage.
*Hamilton House,*
*Mabledon Place, WC1.*

## Solar energy

*From Mr. Thomas A. Wels*

Sir,—Now that Sun Day has passed in the United States with hardly a reflected gleam in this country, may I suggest to Government and industry that a practical step be taken to put our foot on the first rung of the ladder to the popular use of solar energy.

Anyone interested in the installation of solar water heating must be bewildered by the abundance of available systems. This is not due to the cussedness of manufacturers but to the great number of conflicting requirements, such as high efficiency, low cost, durability, ease of installation, integration with existing heating systems, reliability of controls, simplicity, etc. Each system on the market favours a few particular facets, resulting in diversity of designs, low volumes of production and hence high costs.

A reduction in costs would result in shorter pay-back time and greater sales. One feels that there must be a compromise solution which would merit universal support, lead to mass-production and become The British Solar Heater.

Let the Department of Energy request manufacturers to submit their designs, let them appoint a committee of academics and industrialists to adjudicate and find the most suitable one for this country, and let that be rewarded by a substantial prize. Let the Department of Industry support the initiation of manufacture and distribution, and finally let the Department of the Environment offer installation grants to householders. Thus the North Sea revenues could make a substantial contribution to the future comfort of the nation.

Thomas A. Wels.
*Oddlands Leys, Herons Ghyll,*
*Uckfield, Sussex.*

## Postmen

*From Mr. E. M. Walker*

Sir,—Congratulations to your reader, Mr. Bernard Campion, on his inspired poem (Postman's Knock, June 3). As I was actually reading it, an apparition appeared at my door wearing a soiled striped T-shirt and very baggy and dusty trousers. It was the postman!

As a teenager, I worked in the Post Office in a market town and there the postmen (and telegraph boys) were daily paraded before the head postman and woe betide any whose uniform was not spotless and whose buttons and boots did not gleam.

Those were the days of penny postage when a letter posted before 8 p.m. was sure to be delivered next day almost anywhere in the United Kingdom. Recently I posted a letter on a Friday at midday to an address in this town. It was delivered mid-morning on the following Tuesday. When I complained the local Postmaster said that second-class mail is expected to take three days, that two of the intervening days were not working days and therefore there was no delay.

The fact is that the present postal system is becoming increasingly inefficient, pricing itself out of business. More and more firms are sending their parcels by carriers and have ceased sending out circulars. Birthday and Christmas cards and holiday postcards are diminishing. Telegrams have practically disappeared. And while stamp duty has ended on cheques, it can cost 16p in poundage to send postal orders to the value of £1.50.

In short, the Post Office is now inefficient, undependable and too expensive. It should no longer be a monopoly.

E. M. Walker,
*Scudamore,*
*Letchworth, Herts.*

## Hot air

*From Mr. D. A. Trigwell.*

Sir,—I find Malcolm Roberts argument (June 5) about "Money Control" curious and curiously old-fashioned.

Still there it is. I know from my own writing experience that propositions about the way to control, or better still leave alone, the money supply, generate more hot air than the gorgeous summer of 1976 ever did.

Bank lending to the private sector should grow and be seen to grow if we are to achieve any real increase in the GNP, this year, next year or even sometime.

A corset, as the actress said to the bishop, is an artificial constraint on recalcitrant curves—but it can never be, as Mr. Roberts claims, a dead duck.

D. A. Trigwell.
*47, Richfield Road,*
*Bushey Heath, Herts.*

## House sales

*From the Chairman, British Legal Association.*

Sir,—May I reply to the letter (May 23) from the Secretary of the Law Society of Scotland? Mr. K. W. Pritchard makes the pardonable mistake of assuming that my letter (May 16) relating to Solicitors' Property Centres is primarily concerned with how they operate in Scotland. That was not my main concern and it would not be helpful to your readers because the substantive law governing conveyancing, the way in which conveyancing is practised and the system of charging fees in Scotland and England/Wales, are entirely different.

May I illustrate what I mean? We are all of us aware of the vendor of, let us say, a £15,000 house in an urban area where houses are in demand, who places that property with an estate agent. The estate agent prepares particulars of it and will advise on value if asked. He puts a picture of the property in his window. Within a short time the house-owner finds a number of would-be purchasers calling upon him, having been given duplicated particulars by the estate agent, and the vendor agrees direct with one of the would-be purchasers, subject to contract, to sell at a price which is acceptable to them both. That house has, in effect, with the assistance of the vendor (and only minimal assistance from the estate agent) "sold itself," but the vendor must pay to the estate agent a fee of often 2 per cent to 3 per cent of the sale price, namely, £300 to £450.

Contrast the above with the same vendor going to a Solicitors' Property Centre in this country and assume the events follow the same course as above. In the result the fee payable by the vendor to the Solicitors' Property Centre for in effect bringing about a sale would be only £10. The only further expense which would be likely to arise in addition to that fee would be the preparation of the particulars and a photograph of the property both of which would be deposited by the vendor's solicitor at the Solicitors' Property Centre so that they could be made available to would-be purchasers. Many clients could take their own photograph and supply to their solicitor sufficient details to put in the Particulars of Sale.

As I have made clear elsewhere, it is especially in the sort of circumstances mentioned above (which are a daily occurrence in many places), that the Solicitors Property Centres would come into their own in England and Wales. In those circumstances the maximum savings could be achieved for the vendor. Solicitors in England Wales do not, like solicitors in Scotland, charge their fees according to a set scale relating to the value of the property but their fees are always related to the work which has actually to be done in a particular case.

For all the above reasons, we are urging that local law societies should examine urgently the feasibility of setting up Solicitors Property Centres within their respective areas.

S. P. Best.
*29, Church Road,*
*Tunbridge Wells.*

## Management

*From Mr. M. K. Perry*

Sir,—Some of our problems have, I believe, been caused by inept management, unfortunately too many of whom obtain their positions as a result of assessment made by panels, selection boards, etc.

Over the years I have read on many occasions that the experience of those who sit on such Boards is at times limited, and the question is raised as to whether they are fit to make a constructive judgment on others. It would seem to me that the danger of this system is that the more plausible, outwardly enthusiastic conformists will be selected, rather than those who by virtue of their past performance and experience have been successful, at actually doing the job in hand but who, perhaps do not shine at interview.

Insofar as the Armed Services are concerned, one only needs to recall such names as Montgomery, Slim, Wingate and Harris, to realise it is the mavericks who eventually have to be called upon to resolve their difficulties.

M. K. Perry.
*25 Lansdown Park,*
*Lansdown, Bath.*

## Something fishy

*From Mr. R. H. M. Kelsey*

Sir,—I refer to a serious printing error in your article entitled "Trawler Strike Averted at Aberdeen" (May 27).

You state, inter alia, that "The Aberdeen trawler strike set for June 15 by kippers and mates ...." This should quite clearly read "by kippers and skates...."

R. H. M. Kelsey.
*3401, Connaught Centre,*
*Hong Kong.*

NEW YORK CITY FINANCES: BY JOHN WYLES IN NEW YORK

# A bumpy ride back from the brink

MANY THINGS distinguish New York from other major cities of the world and one of the least remarked is a curious noise. The sounds of Paris and London are alike to any but the trained ear, but New York vibrates to the crash of thousands of car suspensions as wheels bump over some of the world's most prodigious potholes. Many owe their existence to the city's virtual bankruptcy in 1975 and the consequent breadline existence. It has forced New York to schedule a 200-year replacement cycle for streets which most other cities would try to renew every 20 to 25 years.

For all anyone can tell the replacement cycle may be stretched to 400 years unless the U.S. Congress agrees to provide long term guarantees which would enable the city to raise money for capital spending. The issue has been argued spiritedly this week before the Senate banking committee many of whose members are disposed to turn a deaf ear to what Governor Hugh Carey of New York State described on Wednesday as "the din and thunder of a collapsing city." By contrast the House of Representatives, where the interests of urban America are more heavily represented than in the Senate, on Thursday voted heavily in favour of the Carter Administration's plan to provide up to $2bn of loan guarantees for New York debts with maturities as long as 15 years. Half the amount would be earmarked for loans from the city and State pension funds, the rest for other lenders. Those shares are sure to be challenged and could very easily change.

But at the end of a week in which the property-owning middle classes have thrilled to the success of the so-called Californian taxpayers revolt, it cannot be taken for granted that the Senate will fill a begging bowl held out by a city whose name has become a byword, somewhat misleading by now, for freewheeling public spending.

In 1975 many Senators voted for a programme of short-term government loans for New York on the assurance that within three years the city would climb out of the mire of excessive debt and phoney accounting and emerge as a model of fiscal integrity. Yet now, many Senators, grumble a mere 20 days before these short-term loans expire, the city has come back, asking the Federal Government to stand behind it for another 19 years. (The 15-year loan guarantees would be available for loans granted as late as June 30, 1982.)

## Symbolic

The argument in the Senate banking committee, which will continue for two days next week, has revolved around which course is more likely to ensure that New York regains its acceptability in the public debt markets. Such was the shock when these markets were closed to New York in 1975 when the city was suffocating under $10.4bn of debt, that the power to sell its own securities to finance capital needs, besides the financial implications, has assumed immense symbolic importance.

The view that New York would be best served by being cut loose from the federal purse strings is being most enthusiastically propagated by the chairman of the banking committee. This week one of the leading writers on the New York Post questioned somewhat unkindly the Senator's credentials to lecture on thrift since he has seen fit to spend money on a hair transplant and face lift. But Senator Proxmire has read the national mood and emerged, in this debate at least, as the spokesman for the many millions of Americans who believe that expenditure shall not exceed income and who abominate the idea of government handouts.

Mr. Proxmire says he is worried that further help for New York will encourage other cities to be as irresponsible fiscally as New York was until 1975 "because they would know they could always come to Uncle Sam for long term bail out."

Why, Mr. Proxmire asks, cannot the New York banks and pension funds, some of the richest in the country whose loans have to a great extent kept the city going since early 1975, continue their lending efforts without federal guarantees? He produced a calculation which indicated that if the banks and insurance companies returned to their 1975 levels of investment in the city's debt, then some $2.3bn of long term funds would be available over the next four years. In addition, if trades union pension funds were to continue to hold city debt equivalent to 35 per cent of their assets, they would be providing $2.6bn, he said.

Conveniently for the Senator's argument this would yield slightly more than the $4.5bn which New York and the Carter Administration have identified as the minimum capital requirement over the next four years.

Mr. Proxmire's recipe is viewed by the bankers as a politician's solution since it ignores the fact that banks, savings institutions, and pension funds all have fiduciary responsibilities. The investments that have been made in New York in the past three years have been made through the Municipal Assistance Corporation (MAC), which was set up to manage the city's debt and to raise whatever was possible. MAC has a lien on certain state and city taxes which fund its debt service and satisfy the responsibilities of the investing institutions.

But borrowing through MAC is not the rehabilitation which everyone wants to see for New York. The Carter Administration believes that federal guarantees will attract the funds needed over the next four years while allowing the city time to complete the reorganisation of its housekeeping and eventually to regain sufficient credibility to return to the public markets.

If the federal guarantees were ever called, payments made on behalf of New York would be deducted from normal federal grants to the city. The plan is contingent upon commitments to invest from local banks, pension funds, and savings institutions. Banks and insurance companies have conditionally agreed to invest $1bn once the federal guarantees are extended. It is hoped that city and state pension funds will provide a further $2bn and that half will be lent unguaranteed. Then the hope is that a portion of the $1.5bn which completes the requirement can be raised by a public issue. One investment banker who ate, drank, and slept with the New York crisis three years ago has said he believed it would be impossible for the city to make a debt issue during the next four years. The market, he said, would first want to see several years of genuinely balanced budgets.

Mr. Felix Robatyn, the Lazard Freres investment banker, who as chairman of the MAC has performed prodigious feats rescheduling the city's debt, disagrees. As he prepared his testimony for the Senate banking committee he said that New York should be able to sell some notes "with the Emergency Financial Control board in place."

The board was set up in mid-1975 as a watchdog with powers of veto over elements of the city's spending, should it conflict with the recovery plan. On the insistence of the Carter Administration the board has been given another 20 years of life. In the same bill passed by the New York State legislature, MAC's borrowing powers were stepped up from $5.8bn to nearly $9bn.

Mr. Rohatyn would give the city a "B plus" for progress made in the last three years. "There were no numbers worth a damn in 1975, so everybody was sailing off into the unknown. Now you have numbers which are reasonably good, so you begin to have a data base which is credible," he said. "In 1975 my guess is that New York had a budget deficit of $2bn-$2½bn on a true accounting basis, and to-day it is somewhat less than $1bn a year. The workforce is 60,000 smaller than it was—you have a workforce which saw its rate of wage increase slow down to 3-3½ per cent a year since 1975.

"You had $6bn of debt due in 12 months without a market at all: that has all been refinanced on the basis of 13-14 years at an average rate of maybe 8 per cent, which is pretty good.

## No riots

"You have lower taxes and you do have to some extent a rather tenuous but none the less working relationship between banks and labour. No one in the meantime has been out on the streets, there have been no riots, no major work stoppages."

The sacrifices have been real. Many former graduates of the city university of New York will never forgive the abandonment of free tuition. Few New Yorkers have enjoyed living with a police force which has been significantly reduced by one of several major cuts in the city's services.

The chances are that the long suffering New Yorker will be asked to take yet more nasty medicine before the situation improves. With the guarantees, but without the short-term loan programme, the city will almost certainly be struggling against cash flow problems which could make it struggle to pay employees' wages in some weeks.

The $13.4bn budget for the fiscal year beginning next July draws $450m from the capital budget for operating expenditure — a legacy from former days of accounting gimmicks. Mayor Edward Koch, elected last November on a platform of restoring fiscal integrity, is committed to eliminating this practice by 1982. Unless the revenue base improves dramatically he may only be able to do so at the expense of a further deterioration of services provided for a population which is significantly poorer and less self sufficient than it was 15 years ago. Welfare payments, for example, have increased from $192m in 1960 to $1.18bn in 1975. The city has to contribute about $300m a year towards this bill.

Though re-entry into the debt markets is obviously an important goal, the city's long term health must surely depend on attracting sufficient jobs as well as people and activities creating wealth in order to widen its tax base. During the 1960's thousands of poorly educated immigrants flooded into the city and thousands of well educated taxpayers and employers moved out. The city lost 510,000 jobs between 1969 and 1975. One wonders whether New York really has much chance of paying its way until this process of decline is not merely arrested but radically reversed.

Urban decay: President Carter inspects burned out houses in the Bronx, May 1977.

# Weekend Brief

## Grounds for concern

Problem: Define a cup of coffee. Answers please to the Ministry of Agriculture and Fisheries within two weeks, or another edict from on high is likely to set the pattern for years to come. Anyone with a simplistic approach to this exercise might suggest that a cup of coffee consists of water and coffee, with whatever whiteners and sweeteners the customer may choose to add. Unfortunately such a belief is a long way from fact and the flurry of coffee additives and substitutes which are currently on sale has driven Whitehall to tighten up the rules and look for public comment.

Over the past few months the catering industry has switched heavily to brews which include a measure of things other than coffee—notably chicory and fig. The manufacturers clearly label their products with the contents, but this information is rarely passed on to the consumer. Thus General Foods, makers of Brim, a product which includes "natural grain extract" as well as coffee beans are able to say: ". . . looks, smells and tastes every bit as good as the largest selling instant coffee on the market . . . your customers won't notice any difference in quality. But when it comes to adding up your coffee costs, you certainly will."

Nestle (Nescore) and Brooke Bond both offer chicory based products, and Brooke Bond has had enormous success in restaurants with its Coffee Time drink — clearly labelled and unmistakable.

But when a restaurant offers "coffee" is a cup of Brim or of Coffee Time a reasonable fulfilment, without the customer being told? The Consumers' Association has its doubts and even the Ministry itself is a bit vague. The Food and Drugs Act states that any product in a restaurant should be of the "nature, substance and quality demanded." The CA reckons that the menu that offers "coffee" and then produces a coffee/chicory blend instead is taking a risk. The Ministry, cautious until someone actually puts the rules to the test suggests that if you are offended "you could try taking them to Court."

The rapid rise in coffee prices over the past couple of years has provoked the rush to less expensive products which now account for about 10 per cent. of catering coffee supplies. The problems of definition are further confused, however, by the tradition of French Coffee being assumed to have chicory in it, and Viennese Coffee usually containing figs. By the end of the year the UK may have new Coffee Regulations, but meanwhile it is between you and the head waiter. June 23 is closing date for comments to the Ministry.

## In a spin

The magic words recommended to bring a touch of puce to any record maker's cheeks these days are "music centre." The most casual observer of the High Street scene will have noticed that music centres are the new vogue way of replaying music, offering radio, tape machine and record player all in one tiny transistorised box. This may seem good news to the record market, but in fact this particular revolution is one which is blowing up right in the face of the record business.

So excited are many of the companies that official protests have been made to the Department of Trade and the industry is appealing for a heavy additional levy to be placed on the sale of blank recording cassettes and, if possible, on the centres themselves. And when the industry says heavy it means heavy. Although the figures are said to be "sensitive" at the moment there is talk of the DoT being asked for an impost of more than 100 per cent on the retail price of a blank cassette.

The problem is that so many people are using their centres as devices for recording music from radio, or from friends' records, that the official record makers reckon they are losing millions. One estimate is that some £75m is leached from a total market of less than £300m in the UK alone. The companies, the musicians, the writers and the record shops all suffer.

Fronting the assault is EMI man Robert Abrahams who, as chairman of the Copyright Association of the British Phonographic Industry, has the task of putting the case to the DoT.

Abrahams, a cheery and articulate arguer of the cause, is quick to point out that the losses are often British (the songs and the musicians) while the tapes are often foreign. "It may be a long haul to get something done but we are gearing ourselves up."

Similarly concerned about the impact of home recording the Germans some time ago tried a 5 per cent levy on equipment. It has apparently had no effect. What Abrahams and his team are after is the sort of figure which would either make home recording little cheaper than buying pre-recorded tapes, or would make sure that some of the blank tape revenue went into the record business upon which it relies for material.

The record men's complaints have not gone unnoticed. German-based chemicals giant BASF is mobilising the tape interests' defences with its UK protagonist being Henry Pattinson. Pattinson reckons any tax to be unfair since blank tapes are used for recording first words and putting Christmas parties on record as much as anything else and anyway he reckons that since cassette records became popular lp sales have risen, not fallen. A free interview with Pattinson has been winged off to Britain's local radio stations for inclusion in magazine shows—on tape of course.

Ashley Ashwood

Robert Abrahams: knowing the enemy (see In a Spin)

## Bitter pills

The UK tranquilliser business may appear to be booming, but it is far from profitable if the latest directors' report filed at Companies House by Roche Products is to be believed. This company is the UK end of the Swiss drugs multinational, Hoffman-La Roche, best known for the anti-depressants *Valium* and *Librium*, and it appears that it incurred a net loss from trading in the UK during 1976 of no less than £21.7m. This is almost as much again as the UK subsidiary's total losses here to date and it brings its overall deficit from trading in the UK over the years to a staggering £44.3m.

Fortunately, other countries have been more favourable for Hoffman-La Roche, for the holding company reported a profit of some £20m (SFr 72m) for the same year. This tells us nothing, of course, about Hoffman-La Roche's overall trading result for 1976 since the group (in the best Swiss tradition) does not publish consolidated accounts.

Returning to the UK accounts, however, it is apparent from a little scrutiny that underlying trade has not really been as bad as the directors' report suggests. By far the largest part of the year's loss—no less than £14.2m—arises from paper exchange losses where the Swiss franc loans with which Roche Products is largely financed are converted into sterling.

Central to the issue is what should be the "transfer prices" to Roche Products for goods imported from Switzerland. For 1970, for example, Roche Products revealed to the Commission that the net cost of the active ingredients from the group was £370 per kilo for Librium and £922 for Valium. To this the Monopolies Commission commented: "We were informed that the active ingredients . . . can be purchased from various Italian manufacturers for about £9 and £20 respectively per kilogram."

Subsequent to the Monopolies Commission's 1973 report Roche Products found itself in dispute with the Inland Revenue's new transfer pricing unit. As a result an amount of £1.9m was paid over in the form of a tax settlement in 1975.

But it seems that this matter is far from cleared up, as another note to the 1976 accounts indicates: "There is a contentious matter at issue with the Inland Revenue which could affect the taxation payable on the taxable profits of the company for accounting periods 1974 to 1976 . . ."

## City scenes

STROLLERS in the sun along the City's Leadenhall Street pause to stare in the windows of the Banque du Rhone—not to learn the latest exchange rates, but to see the art display. John Cloughessy, London manager of the Swiss-based bank, believes he is starting something new by treating passers-by to a constantly-changing display of paintings. "It began when we were wondering what to do to mark Jubilee Year," says Cloughessy. "So we put some framed Turner reproductions in the window, showing views of Switzerland. They were a terrific success—people kept coming in off the street to ask where they could buy them."

The Banque du Rhone now changes its pavement-view display every month, varying the artistic diet between traditional and modern. It is currently showing lino-cuts of London scenes by the contemporary artist, Rupert Shephard. Such bonds between the arts and Mammon are far more usual on the Continent and in Scandinavia, where many banks circulate collections of paintings around their branches.

Six weeks ago the Royal Academy launched a drive to make business and industry more aware of paintings and sculpture. Opening an exhibition that illustrated what business could do to make life brighter, Arts Minister Lord Donaldson branded many boardrooms as aesthetically "awful."

The Banque du Rhone organises its picture shows in collaboration with the Goodwill Art Service, which specialises in supplying everything from cheap reproductions to costly oil painting to th business world. Its director, Carol Cattley, says she has found that most people like to have "agreeable landscapes" around them at work. Reproductions of Canelettos, Turners and Gainsboroughs are popular, but modern art is often viewed with suspicion.

"When it comes to choosing and hanging pictures, lots of people seem to suffer from the other kind of hang-up," says Ms. Cattley. "Only last week, a senior executive admitted to me that he goes through anguish even deciding about putting up a calendar."

The favourite picture for boardrooms seems to be a Rembrandt reproduction entitled *Masters of the Cloth Guild*. It shows a group of solemn seventeenth-century Dutch businessmen grouped around a table. "They look as though they are having cash flow problems," says Ms. Cattley.

Contributors:
Arthur Sandles,
Michael Lafferty,
and Mark Christie.

## Economic Diary

TODAY — Prime Minister attends NUM Gala, Mansfield. Dr. David Owen, Foreign Secretary, addresses public meeting, Pembroke Dock. Mrs. Margaret Thatcher speaks at Conservative Party in Wales conference, Llandudno.

MONDAY — European Central Bankers annual meeting opens, Basle. Strike threat by Yorkshire mineworkers. One-day strike by British Leyland toolmakers. Wholesale price index (May—prov). Retail sales (May—prov). EEC Transport Council meets, Luxembourg. European Parliament in session, Strasbourg. Mr. Malcolm Fraser, Australian Prime Minister, in talks with Mrs. Margaret Thatcher before leaving U.K. for Paris.

TUESDAY — Mr. Denis Healey, Chancellor of the Exchequer, speaks at NALGO conference. Mr. Gordon Richardson, Bank of England Governor, addresses luncheon of Association of Foreign Banks, Berne. Building Societies receipts and loans (May). Mr. Harold Lever, Chancellor of the Duchy of Lancaster, guest speaker at London Chamber of Commerce luncheon, Guildhall, E.C. President of Romania begins state visit to U.K.

WEDNESDAY—House of Commons debates economic package. Balance of payments current account and overseas trade figures (May). OECD Ministerial Council two-day session opens, Paris. TUC economic committee meets. President of Romania at Downing Street. National Land Fund Expenditure Committee report.

THURSDAY — Bank of England quarterly bulletin. UK banks' assets and liabilities and the money stock (mid-May). London dollar and sterling certificates of deposit (mid-May). Index of industrial production (April—prov).

FRIDAY — Retail prices index (May). Usable steel production (May).

SATURDAY — Prime Minister at Labour Party rally, Brecon.

# COMPANY NEWS + COMMENT

## Thos. Ward up 42.4% to £4.7m first half

THE DIRECTORS of Thos. W. Ward, the heavy engineering group, report half-year March 31, 1978, *pre-tax profits ahead by 42.4 per cent* from £3.29m to £4.69m on reduced turnover of £119.53m against £123.96m and say that second-half profits are expected to exceed those of the first-half. Profit for the 1976/77 year fell from a peak of £8.54m to £7.61m.

*First-half basic earnings per 25p* share are shown as 4.6p (2.9p) and 7.3p for the 1976/77 year, and 4.2p (2.8p) and 6.9p fully diluted. The interim dividend is stepped up to 1.65p net compared with 1.21875p—last year's final was 2.865p.

An analysis of turnover and *trading profit £6.17m (£5.29m)* shows: iron and steel and related industries £32.98m (£46.4m) and £0.87m (£1.24m); construction £24.37m (£19.64m) and £3.32m (£2.66m); *engineering £16.89m* (£17.38m) and £0.28m (£0.12m); motor vehicle distribution £31.49m (£27.75m) and £1.02m (£0.8m); and industrial services £13.79m (£12.8m) and £0.68m (£0.47m); the appropriate proportion of associates turnover and profits being *included*.

During the half year there was a severe cut back in volume deliveries of *scrap*, the directors state. But the construction division *benefited from better* winter conditions than last year. Further substantial losses were *incurred from Thomas Smith and* Sons (Rodley) prior to disposal, and from Marshall Richards Barcro, they add.

| | Half Year 1977-78 £'000 | 1976-77 £'000 | Year 1976-77 £'000 |
|---|---|---|---|
| Turnover | 119,534 | 123,959 | 242,720 |
| Group | 106,722 | 112,929 | 220,713 |
| Assoc. companies | 12,812 | 11,030 | 22,007 |
| Depreciation | 1,294 | 1,271 | 2,570 |
| Trading profit | 4,475 | 3,698 | 8,165 |
| Share of Assocs. | 1,687 | 1,604 | 3,170 |
| Interest | 1,482 | 2,001 | 3,924 |
| **Profit before tax** | 4,686 | 3,291 | 7,609 |
| *Taxation* | 2,352 | 1,808 | 3,834 |
| Net profit | 2,334 | 1,483 | 3,775 |
| From minorities | 10 | 17 | 19 |
| *Extraord. credits* | 996 | 31 | 31 |
| Making | 3,330 | 1,447 | 3,825 |
| Dividends | 836 | 622 | 2,119 |
| *Retained* | 2,504 | 825 | 1,736 |

* Debits.

Full provision has been made *in extraordinary items for all* costs, expenses and profits arising on disposals and closures announced to date, the directors say.

*Part of the cash raised has* already been invested in stock, though the rate of increase in working capital is not expected to be maintained in the second half of the year.

Balance sheet as at March 31, compared with September 30, 1977, shows fixed assets down from £40.3m to £38.67m and total assets at *£92.02m against* £90.98m.

● **comment**

Lower interest charges have put a gloss on pre-tax profits at Thos. W. Ward which rose 42 per cent *in the first six months*; the overdraft has been halved with the proceeds of Ward's extensive rationalisation in the engineering division coming through. The big *problems, however, centre round* iron and steel activities where the contribution to trading profit has plunged from just under one-third in 1975-76 to 14 per cent in the *first six months this time*. Scrap prices have fallen and volume is down 20 per cent compared with the first half last year. The picture is brighter on the con*struction side where cement sales* have held up and margins improved since December when the new Ketton dry cement kiln came on stream. At 76p the shares, taking *full year profits of* £9.5m, stand on a prospective p/e of 8½ and yield an above average 9.2 per cent.

## DIVIDENDS ANNOUNCED

| | Current payment | Date of payment | Corresponding div. | Total for year | Total last year |
|---|---|---|---|---|---|
| **Bishop's Stores ... 2nd int.** | 1.38 | July 12 | 1.24 | 2.59 | 2.34 |
| **Camford Eng. ... †int.** | 1.48 | July 28 | 1.34 | — | 3.57 |
| **Fairdale Textiles** | 0.86 | July 25 | 0.74 | 1.16 | 1.04 |
| **Farm Feed** | 0.66 | July 21 | 2.92 | 0.66 | 3.57 |
| **Finance & Industrial int.** | 1.1 | July 31 | 1 | — | 1 |
| **Geers Gross** | 1.71 | July 20 | 1.53 | 2.53 | 2.26 |
| **Grootvlei** | §16 | Aug. 4 | 5 | — | ¶19 |
| **Thos. Locker** | 0.63 | July 14 | 0.58 | —‡ | 0.78 |
| **Marievale Cons.** | §32 | Aug. 4 | 22 | — | 46 |
| **Streeters** | 0.86 | July 11 | 0.85* | 1.69 | 1.53* |
| **Thos. W. Ward ... int.** | 1.65 | — | 1.22 | — | 4.08 |

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Additional 0.0075p to be paid on January 2 if ACT reduced making 0.87325p total. § South African cents throughout. ¶ Holders also received 5 cents capital repayment. ‖ Also announced 25 cents capital repayment.

## Farm Feed turnround: pays 0.66p

A RECOVERY in the second half has enabled **Farm Feed Holdings** to produce pre-tax profits of *£124,082 and recommend a dividend* of 0.66p net, after passing the interim, for the year ended January 31, 1978.

And for the first four months *of the current year management* accounts show a trading profit in excess of the total figure achieved in the year 1977-78. The directors report that the current year's performance is likely to be satisfactory, and that an interim dividend will be restored.

| | 1977-78 £ | 1976-77 £ |
|---|---|---|
| Turnover | 7,973,000 | 7,475,000 |
| *Profit* | 122,215 | 295,956 |
| Associate profit | 1,867 | †135,037 |
| **Profit before tax** | 124,082 | 160,949 |
| *Taxation* | 38,468 | 26,836 |
| Minorities | 11,738 | 14,821 |
| Extraord. debit | 217,356 | — |

† Loss.

When reporting a first-half loss of £35,600 (including £9,000 profit on *land sale*) *the directors* stressed that the investment in Triphos (Northern) continued to cause grave concern. Recently this investment has been cut from 30 per cent to 19 per cent.

Earnings per 25p share for 1977-1978 are *shown at 3.4p. This com*pares with 6.7p, restated for ED 19 for the previous year when a total *dividend of 3.573p was paid from* £160,949 taxable profits.

## Carding turns in £0.78m

ON TURNOVER up from £8.08m to £9.95m trading profit of *Carding Group for the year to* March 31, 1978 was unchanged at £926,000. But pre-tax profit came out higher at £784,000 against £431,000 after a £229,000 write*down, last time, of property dealing stocks*, and a lower interest charge of £110,000 compared with £228,000.

At halfway, pre-tax profit was *ahead from £247,000 to £343,000.* Stated earnings per 5p share are almost doubled at 1.64p (0.87p) and there is no dividend, in view of the offer for the company by *Unigate formal documents in re*spect of which have now been sent out. If the offer does not become unconditional, a maximum of 0.3898p (0.325p) net will be *paid*.

Turnover and trading profit were split as to; motor division £9.04m (£7.26m) and £0.53m (£0.5m); property division £0.49m *(£0.41m) and £34,000 (£41,000)*; property investment income £0.42m (£0.41m) and £0.36m (£0.38m).

Turnover in the motor division *increased significantly, the direc*tors state, following the addition of the Austin/Morris range at Wolverhampton although, as a consequence, profit margins were *reduced*.

Both property divisions made satisfactory contributions to profits and, it was not necessary to make a further write-down of *property dealing stocks*.

By careful disposals, the dealing stocks at March 31, 1978 were reduced by £388,000 to £1,525,000.

## Streeters declines to £786,000

INCLUDING AN exceptional £344,000 surplus last time, taxable *profit of Streeters of Godalming* fell from a peak £1,143,000 to £786,000 for 1977, on lower UK turnover of £10.52m against £11.13m.

*After tax of £420,000 (£519,000)*, minorities, and a £543,000 provision for the loss of a Saudi Arabian associate (*£140,000 profit*), there was a turnround from a £750,000 surplus to a deficit of £190,000.

Loss per 10p share is shown as *2.98p (11.76p earnings), while a* final dividend of 0.86p effectively raises the total for the year to *the maximum permitted* 1.6933p (1.52903p) net, adjusted for a one-for-two scrip issue—an interim dividend for 1978 will be considered in November.

At *midway, profit stood at* £370,000, compared with £400,000 which included £50,000 from Saudi Arabian activities.

The directors report that at the end of last year following the management changes announced in the interim statement, an exten*sive reappraisal was made of* current claims outstanding and future liabilities on the Jeddah contracts and it became clear that Streeters Saudi Arabia would *suffer* a substantial loss in Saudi Arabia in 1977.

Prospects in Saudi Arabia are much improved, they add. *Trading* on the difficult Jeddah contracts has been stabilised and a better trend is now evident. Work has commenced on a £10m contract in *Riyadh and the company is* actively pursuing further profitable work.

The level of competition remains high, particularly with *the increased involvement of con*tractors from the Far East, but with the recent substantial *increase in the availability of suit*able work within the kingdom, the company is confident of securing further contracts.

The bad weather *during the* first few months of 1978 has not helped construction activities in the UK, they say. However, provided the workload can be maintained, the *directors anticipate* that the outcome for 1978 will prove satisfactory.

| | 1977 £000's | 1976 £000's |
|---|---|---|
| Turnover* | 10,516 | 11,134 |
| Exceptional profit | — | 344 |
| Pre-tax profit | 786 | 1,143 |
| Tax | 420 | 519 |
| *To minorities* | 13 | 14 |
| Making | 353 | 610 |
| Extraord. debit‡ | 543 | §140 |
| *Leaving loss* | 190 | ¶750 |

* On UK operations. † On exchange differences ‡ Comprises provision for Saudi Arabian associate. § Credit. ¶ Profit.

● **comment**

Streeters' UK trading figures indicate that reduced spending on *public works has left its mark in* the second half when margins also came under pressure. The impact is increasing this year and the wet weather early this year *has not helped. The problems at* home have been compounded by more difficult trading conditions *in Saudi Arabia. There a mora*torium on all construction work *in Jeddah, together* with a rise in contractural overheads, resulted in 40 per cent owned Streeters Saudi Arabia incurring a substantial loss. However, the *situation has improved: the* position of its two difficult Jeddah contracts has stabilised and work has started on a new £10m contract in Riyadh. But as *the company is still pressed to* maintain both workload and *trading margins at satisfactory* levels, the prospect of a marked *recovery seems dim*. At 28p *yesterday, the market capitalisa*tion is £1.8m.

## GRA reaps benefits of lower interest

*LOWER interest of £475,000 com*pared with £946,000 was the principal factor contributing to a turnround from a loss of £71,000 to a pre-tax profit of £98,000 at GRA Property Trust in the six months to April 30, 1978.

Including £245,000 (£169,000) profit on asset disposal the profit was £343,000 (£98,000).

*The lower interest helped offset* the lack of investment income *which gave £343,000 in the corres*ponding period.

Mr. E. J. Aaronson, chairman, reports that the steady improvement of the last two *years* was well *maintained* and says that the second half should compare favourably with those of previous years. For the last full year a profit of £269,000 was reported.

*First half turnover rose to* £4.76m (£4.38m) and operating profit moved ahead to £601,000 (£673,000). Rental income added £31,000 (£35,000) while group *overheads took £149,000* (£176,000).

Since March 8 the company has realised an additional £590,000 from sale of non-trading assets.

*Chief among these was the sale* of the Harringay Arena site for £560,000. The purchaser has also convenanted to pay further amounts not exceeding some *£200,000 in respect of any plan*ning benefit which he may achieve over the next five years. This sale, which in no way affects the profitable Harringay Stadium *greyhound operation*, was reduced the outstanding balance of the loan from pension fund.

Although the Bookmakers' Afternoon Greyhound Service will *cease to operate from the leased* Watford track with effect from October 31, 1978, the relationship with BAGS continues to be most cordial and GRA *expects to con*tinue to provide this service from White City Manchester as from November 1, 1978, says Mr. Aaronson.

## Peak £2.4m by Thos. Locker

*WITH SECOND-half profits ahead* from £1.15m to £1.27m, **Thomas Locker (Holdings)**, the screening and filtration engineering group, finished the year to March 31, *1978 at a peak £2.37m pre-tax, com*pared with the previous year's £2.03m. Turnover was better at £17.25m against £13.69m.

In November, when announcing first-half profits of £1.1m (£0.88m), the directors forecast that the *second-half figure would show an* improvement over that reported.

*Stated yearly earnings are* 2.61p (2.23p) per 5p share, while a final dividend of 0.623p net raises the total payment from 0.78425p to 0.86373p, with an *additional 0.0075p to be paid* should ACT be reduced.

| | 1977-78 £000 | 1976-77 £000 |
|---|---|---|
| Turnover | 17,250 | 15,665 |
| Share of assoc. profit | 201 | 294 |
| Pre-tax profit | 2,372 | 2,025 |
| Tax | 1,274 | 1,089 |
| To minorities | 33 | 47 |
| Extraord. debit | 77 | — |
| Attributable | 988 | 889 |
| Dividend | 353 | 310 |
| Retained | 615 | 585 |

# ISSUE NEWS AND COMMENT

## 13.85% debenture from Fairview

**Fairview Estates**, the property investment and housebuilding company, is issuing £3.8m of 13.85 per cent first mortgage debenture stock 2000-2003 at par, by way of a rights issue to *ordinary holders*.

Shareholders will be entitled to *£1 of debenture stock for every* three ordinary shares held.

The issue is the latest move in the company's progressive shift towards property investment and *away from housebuilding* and the changing of its debt profile.

When Fairview came to the market eight years ago it was basically a housebuilding company. *Shortly afterwards* the decision was made to use the profits and cash flow from housebuilding to develop an industrial property side.

*An increase of £570,000 per* annum has taken place in the contracted rent roll since last October lifting the figure to £1.72m. This represents about 1.6m *sq. ft. of industrial and* commercial space—90 per cent industrial.

*Until recently property invest*ment, in common with housebuilding, was supported by short term debt. Last summer short term borrowings of over £22m was split *evenly between housebuilding and* property investment. The latest figures show borrowing of £22m—£15m relating to property of which £11m will be long term *after today's issue*.

Long term loans of £7.2m have been *arranged in three tranches*—Royal Insurance 13½ per cent for 20 to 25 years; Hambros, 10 *years at 3 per cent over build*ing society rate and Co-op Bank with 3 per cent over base rate. To date £5.7m has been drawn down. *A further £1m in addition to the £7.2m is under negotiation.*

The new stock is secured upon certain of the group's properties. Covers for the debenture are capital 1.47 times and income 1.02 times.

The issue is payable as to £25 per cent on acceptance with the balance due on July 28.

The issue is underwritten by stockbrokers Greene and Co. It was made clear yesterday that the directors were unlikely to take up their entitlement.

● **comment**

Fairview is really breaking the ice with this issue. A rights offer of debenture stock has not been seen since 1972, when incidentally most were issued with warrants. The issue fits in with the change in the company's image which in three years' time could see it *completely out of housebuilding* altogether. The stock looks likely to meet with a reasonable reception because of the underlying firm demand for debentures and the *coupon is giving enough away* to encourage buyers. Quality debentures in the market are *yielding around 13 per cent*, so a modest premium can be expected.

## Tyneside offering £7m stock

*The Metropolitan Borough of* South Tyneside is issuing £7m of 12¼ per cent Redeemable Stock 1986 at £99 per cent, payable as to £10 per cent on application with calls of £40 per cent on July 19 and the balance on August 23.

Application list opens next Wednesday and dealings are expected to start the following day.

The reason for the return to the pre-1972 time scale for local *authority issues is the change in* the day for MLR announcements.

Interest will be payable halfyearly on May 31 and November 30. The first payment of £4.0345 *per cent will be made next* November. The stock will be redeemed at par on May 31, 1986.

Brokers to the issue are de Zoete and Bevan.

● **comment**

South Tyneside's issue should go well. With the gilt market continuing firm yesterday the terms of this issue look atractive against comparable stocks. At the issue price the running yield is 12.37 per cent and the redemption yield is 12.45 per cent. In the market Barnet is yielding 12.35 per cent to redemption and Tyne and Wear *is yielding 12.29 per cent. Exactly* how good the response will be depends upon the market between now and next Tuesday evening.

## Francis Parker profit at nine months

TURNOVER OF **Francis Parker** for the nine months to December 31, 1977, was *£15.38m compared* with £23.6m for all the previous year and the group turned in pretax profits of *£34,000* for the period against a loss of £1.41m *last time*.

Mr. R. K. Francis, the chairman, says the results are in line with expectations and the provisional trading figures for the first *quarter of 1978, traditionally the* most difficult part of the year in the construction industry, indicate virtually a break-even situation after interest.

*He says that a comparison* between the 12-month periods, to March, 1977, and to March, 1978, shows an improvement in trading performance of some £1.5m pre*tax. Further improvement is* envisaged, provided interest rates do not continue to increase significantly above present rates.

The company has changed its *year-end date from March 31 to* December 31.

Again there is no dividend, the last being a 0.5p net payment for 1074-75.

*The group is a manufacturer of* concrete products; supplies sand and gravel; interest in building; developer, plumbing and heating.

| | 9 mths. 1977 £000 | 12 mths. 1976-77 £000 |
|---|---|---|
| Turnover | 15,375 | 23,597 |
| Trading profit | 1,264 | 1,024 |
| Interest | 1,230 | 2,436 |
| Profit before tax | 34 | †1,412 |
| Tax credit | 63 | 672 |
| Net profit | 97 | †740 |
| Extraord. debits | 205 | 1,014 |
| Leaving loss | 108 | 1,754 |

† Loss.

● **comment**

Francis Parker's millstone has been its high level of short-term borrowings, which last year amounted to £13.3m. To reduce this, the company has been selling *residential land and group* borrowings are now down to £10m which, with the drop in interest rates, has reduced charges by £0.8m to £1.2m for the *nine months. Further land sales* might reduce borrowinus to around £8m in the current year but this will still be very high compared with shareholders' *funds of £3.08m and for a com*pany dependent on the depressed construction industry. At the trading level, however, things do not look as gloomy. Parker has *divested itself of its residential* development interests and is now concentrating on aggregate and light-weight block production, mainly in the south east where *private house starts are on the* upturn. Annualised, trading profits show a 70 per cent upturn to £1.7m and at least £2m looks possible for the next 12 months. *At 13p the market capitalisation is* £3.3m.

## Fairdale expands to £480,502

Following first-half profits of £166,090 against £137,412, **Fairdale Textiles** ended the year to January 28, 1978, ahead from £407,860 to *£480,502 pre-tax. Turnover im*proved to £3.65m compared with £4.76m.

The result was after interest charges of £1,054 (£515), but before tax of £216,734 (£221,840) and an extraordinary credit *this* time of £18,009.

*The directors say no provision* has been made for deferred tax relating to stock appreciation relief for 1977-78.

Earnings per 5p share are given *as 4.4p (3p) and the dividend* total is stepped up from 1.030p to 1.16p net, with a final of 0.86p. Retained profit emerged at £207,603 (£119,051).

## Geers Gross unchanged

IN LINE with the January, 1978, indication of profit not less than *£280,000 for 1977, Geers Gross, the* advertising agency and consulting concern, *reports a pre-tax surplus* little changed at £281,000, against £279,000 last time.

Turnover advanced from £8.62m to £9.94m, compared with a fore*cast of £8.3m made at the time of* the acquisition by Geers Gross Inc. of Richard K. Manoff Inc.

The directors report that new business growth has been dramatic and turnover is expected to increase to well over £30m in 1978.

After tax of £170,000 (£163,000) net profit for 1977 was slightly down from £116,000 to £111,000. As forecast, a final dividend of *1.71036p net makes the maximum* permitted total of 2.52536p (2.261p) per 10p share.

At midway, profit was down *from £92,253 to £73,318* and at the nine months stage stood at £134,000.

## Camford ahead midway

*PRE-TAX profits of* **Camford Engineering** rose from £706,000 to £952,000 for the half year to March 31, 1978 and the directors say that the results are in line with expectations. They add that the outlook for the rest of the current year, as well as the next year, is encouraging. Profit for the 1976-77 year was a record £1.82m.

Turnover for the period was *ahead from £12.17m to £14.05m* and net profit emerged as £827,000 against £623,000 after tax of £125,000 compared with £83,000. The interim dividend payment is *lifted from 1.34p to 1.48p net per* 10p share.

### CHESTERFIELD

*Following yesterday's dividend* announcement, the directors of **Chesterfield Properties** now state that a second interim dividend of 2.245p will be paid in respect of *1977. In the event of the ACT* rate being reduced to 33 per cent an amount of 0.03403p will be added to the first 1978 interim dividend. If dividend restraint is *abolished a third interim divi*dend of 1.755p will be paid, which will be the last dividend in respect of 1977.

## Results due next week

*A fair sprinkling of sectors* provide key results in the week ahead. *In the foods sector there* are finals from Associated British Foods and Tate and Lyle with *other full year figures due from* Pilkington Brothers and merchant bank Hill Samuel and interims from *English China Clays* and Arthur Guinness.

*Analysts are looking for no* more than maintained full year profits of around £80m from Associated British Foods on Monday. The bakery workers strike, *which clipped about £2m off first*-half profits of £32m (£31.2m), is expected to take a further £1m off the second-half. Also retailing interests, through the Fine Fare and Alliance subsidiaries, *have* faced a difficult time with margins squeezed by the competition from Tesco and Sainsbury. In addition, ABF's overseas activities (about half of profits) have been subdued—Premier Milling in South Africa and George Western in Australia *have together reported trading* profits of only £38.7m (£38.9m).

Tate and Lyle, beset by problems at Manbre and Garton and poor returns from shipping and com*modity trading, has already* warned that profits in the current *12 months* will be lower than last year. For the first half, analysts are expecting around £14m (£24.7m.) from the results due next Thursday, which compares with £16m. in the previous six months. In the UK, sugar refining profits have been adversely affected by the costs of rationalisation and by the surplus of EEC sugarbeet. Also, shipping activities, which are being run down, have been hit by the sluggish level of world trade. However, construction materials and engineering interests are said to have done well.

**English China Clays** will report interim profits on Thursday. The paper industry has still not *achieved its expected recovery*, while the housing sector and quarrying industry continue to be difficult. The directors have already forecast only a modest *increase in full year profits and* analysts are pitching their interim projections at around £12m. (£13m). *Overcapacity in the paper* industry has meant that prices in the clay division have been pegged, while severe winter weather conditions have hit china *clay production*.

After a somewhat uninspiring statement at the half-way stage, brokers do not see much improvement at **Hill Samuel** and most *estimates are around the £7m* mark after tax, against £6.7m previously. This is in sharp contrast to other merchant banks which so far this year have mostly reported *reasonably good results*. The banking side, which still lacks a substantial capital base, is likely to show only a little growth. Loss making ships are understood to *have been sold in the second-half* but how this will affect profits is uncertain. *Meanwhile there could* be a better contribution from South Africa where loss provisions *on property loans* will not be repeated. Overall, however, the results are likely to be unexciting.

*Pilkington Bros is expected to* release a final pre-tax figure of £65m on Friday—marginally above the comparable figure of £62.5m. The UK operations have been *very flat but there has been some* growth in insulaton fibre sales, and the group has also benefited by increased demand from home renovators. Overseas trading has been mixed with Canada expected to show some improvement. South African operations are gradually *benefiting from the new float* plant, and Sweden is also showing better figures because of the reduction in start up costs from the float glass plant established *there in 1976*.

With interim results due from **Arthur Guinness** on Friday, estimates are in the £19m-£22m range, against £17.1m previously. *A price freeze in Ireland held* back profits last year, but there has been an improvement this year aided by the September price rise. Demand *for stout in the UK has remained dull* but the March price rise will show through in *the second half*. The company's Nigerian interests have also benefited from the lifting of Govern*ment restrictions but again this* has probably come too late to affect the first six months. Meanwhile, the increasingly important non-brewing interests have continued to expand.

Other companies to note are Pegler-Hattersley and Johnson-Matthey with finals on Tuesday, Robertson Foods with finals and *CompAir and Westland Aircraft* with interims on Wednesday. Thursday brings the Chloride Group and International Timber Corporation with S. and W. Beris*ford reporting half yearly results* the same day.

| Company | Announcement due | Dividend (p)* Last year Int. | Final | This year Int. |
|---|---|---|---|---|
| **FINAL DIVIDENDS** | | | | |
| Alliance Investment Company | Wednesday | 0.525 | 1.625 | 0.55 |
| Allied Retailers | Wednesday | 1.8 | 6.092 | 2.9 |
| Alpine Soft Drinks | Thursday | 1.1 | 2.234 | 2.2 |
| Ariel Industries | Monday | 0.75 | 1.135 | 0.5661† |
| Associated British Foods | Monday | 0.712 | 1.3632‡ | 0.796 |
| Belhaven Brewery Group | Thursday | — | Nil | — |
| British Cinematograph Theatres | Wednesday | — | 1.341 | — |
| British Tar Products | Tuesday | 0.175 | 1.443 | 0.5 |
| Brownlee and Co. | Tuesday | [illegible] | 1.532 | 0.524† |
| Callyns | Friday | 1.7 | 4.05 | 2.0 |
| Chloride Group | Thursday | 1.2 | 3.432‡ | 1.34 |
| Cocksedge (Holdings) | Wednesday | 0.513 | 2.584 | 0.563† |
| Continuous Stationery | Wednesday | 0.7 | 1.62 | [illegible] |
| *Country and New Town Properties* | Wednesday | — | 0.85 | 0.2 |
| Dominion and General Trust | Thursday | 1.5 | 5.25 | 1.5 |
| Dorrington Investment Company | Thursday | 1.25 | 1.516 | 1.4 |
| Ferguson Industrial Holdings | Friday | 2.1 | 3.328 | 2.1 |
| FEI International | Tuesday | 1.306 | 2.409 | 1.438 |
| C. H. Goldrei Foucherd and Son | Wednesday | [illegible] | 1.63 | 0.59 |
| Great Portland Estates | Tuesday | 1.0 | 2.946 | 1.0 |
| Hargreaves Group | Thursday | 1.16 | 1.72 | 1.3 |
| Highgate and Job Group | Thursday | 1.0 | 3.0 | 1.0 |
| Hill Samuel Group | Monday | 1.5 | 2.766 | 1.675 |
| International Timber Corporation | Thursday | 2.5 | 3.5 | 2.75 |
| Johnson Matthey and Co. | Tuesday | 5.0 | 7.193 | 6.111† |
| William Leech (Builders) | Thursday | 2.5 | 2.5 | 2.5 |
| London and Overseas Freighters | Wednesday | — | 3.291 | — |
| Ocean Wilsons (Holdings) | Monday | 1.0 | 1.5 | 1.0 |
| Parrish (J. T.) | Tuesday | — | 3.835 | — |
| T. Paterson and Sons | Thursday | Nil | 2.283 | 1.058 |
| *Pegler-Hattersley* | Tuesday | 2.85 | 4.031 | 3.13 |
| Pilkington Brothers | Friday | 5.119 | 5.369 | 5.762 |
| Plysu | Monday | 0.486 | 0.733 | 0.543 |
| Property and Reversionary Invest. Cpn. | Monday | 2.0 | 2.62 | 2.049 |
| Robertsons Foods | Wednesday | 1.23 | 2.69 | 1.429† |
| Sketchley | Tuesday | 1.35 | 2.849 | 1.794† |

| Company | Announcement due | Dividend (p)* Last year Int. | Final | This year Int. |
|---|---|---|---|---|
| Trident Group Printers | Wednesday | 1.4 | 1.892‡ | 1.4 |
| Triplex Foundries Group | Thursday | 1.408 | 2.7811 | 1.575 |
| Valor Company | Monday | 0.638 | 1.246 | 0.702 |
| Warwick Engineering Investments | Monday | 1.0 | 1.292 | 0.325 |
| West Bromwich Spring Company | Monday | 0.24 | 0.632 | 0.264 |
| WGI | Monday | 1.5 | 3.7 | 2.0 |
| Wheway Watson Holdings | Wednesday | 0.275 | 0.519 | 0.35 |
| Jonas Woodhead and Sons | Friday | 1.099 | 2.315 | 1.263† |
| **INTERIM DIVIDENDS** | | | | |
| S. and W. Berisford | Thursday | 1.75 | 2.375 | |
| Bluemel Bros. | Thursday | 1.5 | 2.17 | |
| Castlefield (Klang) Rubber Estate | Thursday | 0.5 | 2.8 | |
| CompAir | Wednesday | 1.5 | 2.122 | |
| *Corn Exchange Company* | Tuesday | 0.953 | 1.013 | |
| Dundee and London Investment Trust | Thursday | 0.8 | 1.5 | |
| English China Clays | Thursday | 1.75 | 1.904 | |
| Flexello Castors and Wheels | Wednesday | 1.05 | 1.714 | |
| Arthur Guinness Son and Co. | Friday | 2.38 | 4.659 | |
| Killinghall (Rubber) Development | Thursday | 1.38 | 10.17 | |
| Nottingham Brick Company | Wednesday | 1.85 | 7.7 | |
| *Raeburn Investment Trust* | Friday | 1.1 | 2.6 | |
| Record Ridgway | Tuesday | 1.5 | 3.0 | |
| Saatchi and Saatchi Compton | Thursday | 2.0 | 2.1538 | |
| *United States and General Trust Corpn.* | Wednesday | 1.6 | 4.74 | |
| Westland Aircraft | Wednesday | 1.511 | 1.673 | |
| **INTERIM FIGURES ONLY** | | | | |
| Duple International | Thursday | | | |
| Laganvale Estate | Monday | | | |
| Henry Nortington | Friday | | | |
| Tate and Lyle | Thursday | | | |
| Tomkinsons Carpets | Tuesday | | | |
| United Guarantee (Holdings) | Thursday | | | |

* Dividends shown net pence per share and adjusted for any intervening scrip issue. † Includes compensating dividend due to change in tax rate. ‡ Second interim in lieu of final.

### Reports to meetings

## Good start for NEI

The order intake for Northern Engineering Industries for the first quarter of 1978 was encouraging, *particularly in its export* content, Sir James Woodeson, the chairman, said at the first annual meeting yesterday. Preliminary profit estimates for the first *quarter indicated that the com*pany was on target. A further improvement this year over 1977, was looked for.

Sir James said NEI was looking increasingly to overseas markets for expansion and this *should counter the slackness at* home. The 1977 volume of exports amounting to £93m provided *reasonable encouragement*; the group's export efforts world-wide were being further intensified.

A trade protocol agreement with the USSR had been con*cluded recently and the Romanian* Government had indicated considerable interest in Parsons turbine generators for their proposed nuclear power programme. *He believed these moves should* lead to increased overseas trade.

**Taylor Woodrow**—Mr. R. G. Puttick, said competition for building contracts in the UK re*main very keen and there was a* great shortage of civil engineering work. The current order book *showed work in hand of £539m*, of which £352m was in the UK. Last year at this time a total of £585m was on hand: so the order book was down on last year, largely due to the running down of contracts overseas.

The company remained very active in submitting bids for some very substantial overseas contracts and Mr. Puttick was hopeful that one of these at least would be successful to replace the volume of work at the Dubai Dry Docks which was now moving towards completion.

So far this year, overall profits were roughly in line with 1977.

**I. J. Dewhirst**—Mr. A. J. Dewhirst said the group was on course for its first half sales target of *£7m sales* (an increase of about £1.5m) and profits were expected to exceed £575,000 (£505,000). *Present indications were reason*ably encouraging and he was confident of further growth.

**George Wimpey**—Mr. R. B. Smith said as there was evidence that the Middle East would not continue to provide work at the present high level, the Board was actively pursuing opportunities for expansion elswhere, especially in North America and Africa. For some years the Middle East has been one of Wimpey's main areas *of activity abroad*.

In the U.K., the group made a good start to 1978. Private house sales had been high although con*struction operations were severely* hampered by the weather early on. *However, the industry was still in* the doldrums and the Board saw little prospect of a return to the level of activity of the early seventies. Hence, it had pursued *a policy of broadening the base of* activities.

*Mr. Smith said the Board* awaited the Government's decision whether to renew the dividend restrictions. If they are removed, an interim would be paid as soon *as practicable. If the restrictions* continued, the Board would again consider whether any action could be taken to enable the dividend to be increased beyond *the present limits*.

**Owen Owen**—Mr. J. A. Norman said the sales trends in the UK were encouraging and with an overall increase of 17½ per cent *were running ahead of targets*. Trading in Canada remains difficult and slightly below expectations so far.

Taking the results from the two *countries together, an improve*ment on the first six months of the year compared with the same period of 1977 was forecast.

**Bowthorpe Holdings**—Mr. J. Bowthorpe said the group was en route to a profit record in 1978. Trading results to date were encouraging and results for the first four months of the year were in line with the forecast made in the 1977 annual report.

**Glynwed**—Mr. Leslie Fletcher believed it was possible to take a cautiously optimistic view of prospects, if only because of the *elimination of some of the heavy* losses incurred in some areas in 1977.

**FEB International**—Mr. Gordon Fisher said trade during the early *months, although showing an* increase over the corresponding period of 1977, was at a lower *level than had been anticipated*. This was due in the main to weather conditions, and affected buildings merchanting divisions more than the chemical side.

While margins were still under pressure, he saw no reason why the year's results should not be *in line with 1977*.

**Hoveringham Group**—Mr. G. H. Christopher Needler reported that profits to date were in line with budget and in excess of those *for the previous year. He antici*pated the year's results would show an improvement on 1977, barring unforeseen problems.

A circular will shortly be going to *shareholders giving more* details of the American acquisition.

### UNIT TRUSTS

## Getting the best out of Wall Street

Henderson's Cabot American Smaller Companies Trust, launched just six weeks ago in the *first flush of enthusiasm* for Wall Street, has done well for its initial unit holders—thanks in part to gearing, and in part to the management company's willing*ness to commit itself to the* market a little ahead of the receipt of funds. The offer price of the units now is 12.6 per cent up on the price at which they *were issued, though the* Dow Jones Average and the Standard and Poor's Index have risen by less than half as much over the same period.

Of course *no-one is pretending* that this performance can be maintained through thick and thin—it's a necessary consequence of gearing, after all, that while a *rise will be accentuated, so too* will a fall. This is partly why Henderson, while inviting applications for the fund, is using some of the new money to increase its *liquidity*, now at about 10 per cent, to around 20 per cent. The other reason is that the fund managers want some cash in reserve for buying, should Wall Street go through a period of *profit-taking*.

The implication is that they, like the managers of the two other American funds on offer this week—Target's American Eagle, and Arbuthnot's North American Fund, believe that the U.S. still has plenty of longer-term potential. Target is predominantly invested in the shares of the larger American companies, but Arbuthnot's, like the Henderson fund, *is primarily for those who* believe that growth over the longer term lies with the smaller companies.

It is a view to some extent *shared by the managers of* Schlesinger's Special Situations Trust, though they spread their net rather wider—to asset situations, recovery stocks, and stocks with a high degree of volatility as well as high yielders and stocks with high potential dividend growth.

Lawson Securities this week *returns* to advertising that old favourite, the Lawson High Yield Fund. The portfolio is split, 40 per cent being in preference shares, to provide high stable income, and 60 per cent in equities to give income and capital growth. *The yield is 11 per cent gross* and the capital value has more than doubled since the trust's inception four years ago. The Tyndall Group is also advertising high income this week, through its London Wall Extra Income Growth Units. Here the managers have concentrated on providing an income that will increase over the years by investing in high yielding equities. Nevertheless the fund offers a gross yield of 10 per cent.

This week M & G is pointing out the advantages of its Share Exchange Plan. Under this investors can switch into units on advantageous terms. The group has a number of funds under *management*, covering a wide investment spectrum.

Private education is expensive and likely to remain so, yet the demand for places in public *schools continues unabated*. M & G is offering parents a free copy of its booklet on School Fee Bonds, which explains how parents can go at least some way towards *meeting future school* fees by using available capital.

Leading merchant bankers, J. H. Schroder Wagg, is also drawing the attention of small *investors to its investment* management services.

## Bishop's profits a casualty of price war

*THE "High Street price war" has* taken its toll on pre-tax profits of Bishop's Stores, food wholesaler and retailer, producing, what the directors describe as a "major setback" *in retail activity, due* to much reduced margins.

*This coupled with reduced con*tributions from all companies in the group meant that despite turnover improving 11 per cent to £111.5m taxable profits slumped from £2.11m to £0.8m in the year to February 25, 1978. The second half of the year produced a loss, *for at the interim stage* an advance from £0.8m to £1.01m was reported.

An analysis of yearly turnover and profit shows (£000s omitted): *retail £54,591 and £403; cash and* carry £24,570 and £61; wholesale £32,343 and £333. In addition the parent company produced a surplus of £5,000.

Tax took £68,000 (£63,000) for net profits of £0.73m (£2.04m) and stated earnings of 14.14p (39.37p) *per 25p share. The net second* interim dividend is 1.3764p for a total payment of 2.5876p (2.3355p), costing £132,000 (£118,000).

## UDT Ireland

*UDT Ireland* announces pre-tax profits up by £0.43m to £1.05m for the year ended March 31, 1978.

The directors say that with many uncertainties it is difficult *to predict the future, but with the* present Government policy of job creation, they feel the company will be able to increase its business during the current year.

*Profit after tax and extra*ordinary items came out at £550,000 and the company is paying an 18.5 per cent dividend.

The paid-up ordinary capital *has been increased by £1m to £3m* and the bank's liquidity position has jumped from £9.66m to £17.15m.

UDT's main strength lies in *instalment credit*, the directors explain, and here outstandings rose by almost 43 *per cent to over* £29m. Similarly, the competitive rates offered by the company *resulted* in a 38 per cent growth in deposits, which currently stand at £52m.

During the year, the bank was granted trustee status.

The company is owned as to 75 per cent by United Dominions Trust and 25 *per cent* by Irish Life.

## IN BRIEF

**BROOK STREET BUREAU OF MAYFAIR**—Results for 1977 already known. Group fixed assets £1.29m (£1.28m), net current *assets £1.07m (£0.91m). Working* capital increased by £91,842 (£144,324 decrease). Meeting, 100 Old Broad Street, EC, July 3, at 11 a.m.

**SILENTNIGHT HOLDINGS**—Results for year to January 28, 1978 reported April 26. Group fixed assets £8.9m (£5.93m), net current assets £2.8m (£1.99m). Pre-tax profit, £3.23m adjusted to £2.54m CCA, *after depreciation adjustments £0.37m*, cost of sales £0.37m, less gearing factor £0.24m. Meeting, Manchester, June 27 at 11 a.m.

MINING NEWS

# Anaconda clings to Inspiration stake

BY PAUL CHEESERIGHT

ANACONDA, the U.S. copper producer which is now part of the Atlantic Richfield group, will not tender its 20 per cent stake in Inspiration Consolidated Copper to Hudson Bay Mining and Smelting and Minorco, it was announced in New York yesterday.

Hudbay and Minorco, two Anglo American of South Africa units, earlier in the week stated they proposed to make a cash tender offer for the equity in Inspiration they do not already own. Their present stake is 40 per cent, acquired in 1975 at a price of $37 a share.

The tender offer is $33 a share, putting a value of $68m (£37.4m) on the total of the shares they wish to buy. Anaconda had earlier rejected an offer of $30 a share for its stake.

Hudbay and Minorco have not been deterred by this second refusal. They stated in Toronto that the offer would proceed and that it will not be conditional on any minimum number of shares being tendered.

Minorco shares closed at 190p on the London market yesterday.

## MARIEVALE PAYS HIGH INTERIM

Leaving market predictions far behind, Marievale, the South African gold producer with only a limited life remaining, yesterday declared an interim dividend of 32 cents (20.2p) for the year to December. The interim last year was 22 cents and the final 24 cents.

As expected Marievale is making a capital reduction of 25 cents on its shares of 50 cents par value.

*Grootvlei, another Union Corporation company*, declared an interim of 16 cents (10.1p), but this was broadly in line with expectations. In the 1977 financial year, its interim was 5 cents and it made a capital repayment of *the same amount. Its 1977 final* was 14 cents.

## HIGHER OUTPUT AT AYER HITAM

Tin concentrate production at Ayer Hitam, the Malaysian producer, *rose last month to* 229 tonnes, despite the closure of the No. 1 dredge for nearly a fortnight as routine repairs were carried out, according to the latest *output figures from the Malaysia* Mining Corporation.

But after 11 months of the current financial year, production came to 1,636 tonnes, compared *with 4,033 tonnes in the previous* year. The sharp disparity is because low-grade ground is being mined.

Comparative output figures for the *group* are given in the accompanying table:

| | May tonnes | April tonnes | March tonnes |
|---|---|---|---|
| Aokam | 111 | 141 | 142 |
| Ayer Hitam | 229 | 175 | 99 |
| Berjuntai | 349 | 356 | 445 |
| Kamunting | 35 | 34 | 36 |
| Kramat | 32 | 32 | 34 |
| Kuala Kampar | 18 | 19 | 33 |
| Lower Perak | 31 | 29 | 39 |
| Malayan | 187 | 181 | 236 |
| Sthn. Kinta Cons. | 151 | 136 | 148 |
| Sthn. Malayan | 133 | 139 | 180 |
| Sungei Besi | 147 | 148 | 189 |
| Tongkah Hrbr. | 29 | 34 | 31 |
| Tronoh Mines | 280 | 308 | 217 |

# SUMMARY OF THE WEEK'S COMPANY NEWS

## Take-over bids and mergers

**BTR**, the British engineering group, is buying a 32 per cent stake at $30 per share in **Worcester Controls Corporation**, the U.S. valve concern which owns Worcester Controls of the U.K. and will bid for the rest of the shares at the same price. The bid values the Worcester group at $48m (£26½m). The offer has not received the support of the three Norris brothers, who run the British company and believe that a higher offer could be obtained.

The Office of Fair Trading, which is currently considering *whether to recommend referral of the* 29.95 per cent **Saint Piran** stake in **A. Monk** to the Monopolies Commission, will not be bound by its decision on the stake if it comes to a full bid. The OFT could decide not to recommend referral of the stake but then change its mind if Saint Piran attempted to establish greater or complete control.

**William Prym-Werke** has received irrevocable acceptances of 18.7 per cent of the **Newey Group** equity and is duly proceeding with its 65p a share offer for the remainder on the terms and conditions already announced.

**Harrisons and Crosfield's** *offer for* **Harrisons Malaysian Estates** has gone unconditional. H. and C. had received a 31.9 per cent level of acceptances at the first closing date on Monday afternoon, bringing the total owned by the group up to around the 60 per cent mark. The level of acceptances is likely to suit H. and C. admirably because a high proportion of non-acceptors are *Far-Eastern holders and if HME retains* a large Malaysian following then the company will be some way towards satisfying that *Government's Malaysianisation programme.*

**Spooner Industries**, the Yorkshire-based plastics and textiles machinery company, has rejected the £2.4m cash *bid from* **Redman Heenan** on grounds of inadequacy. **Spooner Industries'** *shares rose sharply to 77p, a premium of 12 on the 65p a share* cash terms offered by RH.

The Board of **KCA International** has told its suitor, Mr. Travis Ward, that it is "unable fully to assess the value of his approach" for the time being. The reason for the indecision, according to KCA, is that an earlier deal with Mr. Ward has not yet been completed.

**Newman Industries** intends to make an offer to acquire the outstanding shares of **Wood and Sons (Holdings)** on the basis of around 47½p a share.

**Lex Service Group** has agreed to purchase some 2m ordinary shares in **United Carriers** from a group of investment funds. Payment will be satisfied by the issue of 1,010,550 ordinary shares of Lex plus £858,967 in cash. Lex views its increased United Carriers stake as a trade investment.

**Ibstock Johnsen**, the Leicestershire brick maker, which has been expanding into Holland and Belgium over the past year, has made its first move into the U.S. with the £5m purchase of **Marion Brick**, a subsidiary of Medusa Corporation of Ohio.

| Company bid for | Value of bid per share** | Market price** | Price before bid | Value of bid (£m's)** | Bidder | Final Acc'tce date |
|---|---|---|---|---|---|---|
| Prices in pence unless otherwise indicated. | | | | | | |
| Albright & Wilson | 165*§ | 146 | 123 | 97.34 | Tenneco | — |
| Capital & County Laundries | 150* | 142½ | 97 | 1.57 | Johnson Group Cleaners | — |
| Carding Group | 20* | 20 | 20 | 4.64 | Unigate | — |
| Carlton Inds. | 165* | 201 | 170 | 22.7 | Hwkr. Siddeley | — |
| Cornercroft | 65* | 65 | 56 | 1.62 | Armstrong Equipment | — |
| Customagic | 20* | 21½ | 19½ | 1.05 | Moolova Invs. | — |
| Fluidrive Eng. | 73½ | 79 | 55 | 5.07 | Thos. Tilling | — |
| Harrisons Malaysian Ests. | 97½ | 95 | 90 | 118.71 | Harrisons Crosfield | — |
| Henshall (W.) | 20* | 27 | 18 | 0.50 | Bovbourne | 14/6 |
| Henshall (W.) | 30* | 27 | 21 | 0.75 | Petford | — |
| KCA Intl. | 29* | 24½ | 28 | 7.7 | Mr. T. Ward | — |
| Kingside Inv. | 61 | 56 | 50½ | 5.49 | Jove Inv. | 19/6 |
| Lond. Aust. Invs. | 150* | 134 | 123 | 11.27 | Colonial Mutual Life | 12/7 |
| Lond. & Liverpool Trust | 21* | 22 | 19 | 0.52 | Aschheim Secs. & W. & A. SA Zug | — |
| Marler Estates | 25* | 28 | 21 | 0.86 | Blade Invs. | — |
| Miln Masters | 200* | 197 | 163 | 4.23 | Hilleshog AB | 14/6 |
| Mitchell Cotts Transport | 84§ | 80 | 82 | 1.29 | Mitchell Cotts Group | — |
| Newey Group | 65* | 62 | 55 | 1.50 | Wm. Prym-Werke | — |
| Osborn (S.) | 102½§ | 99 | 97 | 8.15 | Aurora | 15/6 |
| Pork Farms | 687§§ | 642 | 457 | 23.12 | Nthrn. Foods | — |
| RKT Textiles | 96* | 92 | 72†† | 78.64 | Robt. Kitchen Taylor | — |
| Spooner Inds. | 65* | 77 | 53 | 2.4 | Redman Heenan | — |
| St. Kitts (London) Sugar | 200* | 196 | 170 | 0.78 | Industl. Equity | — |
| Turner Mfg. | 145* | 135 | 124 | 14.50 | Dana Corp. | — |
| Wettern Bros. | 95* | 97 | 58 | 1.60 | W. J. Glossop | — |

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. || Date on which scheme is expected to become operative. ** Based on 8/6/78. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Based on 9/6/78.

## Offers for sale, placings and introductions

**City of Edinburgh:** *£25m of Variable Rate stock 1983 at £100 per cent.*

**Thames Plywood Manufacturers:** *Placing of ½m shares at 34p each.*

## Rights Issues

**Brooke Tool Engineering (Holdings):** *Three-for-five at 28p each.*

**City of Dublin Bank:** One-for-four at 33p each.

**Securicor Group:** One ordinary and one "A" for 35 at 95p each.

**Securicor Group (preference):** 1.35 ordinary and 1.35 "A" shares for 10 at 95p each.

**Security Services:** One ordinary and one "A" for six at 95p each.

## Scrip Issues

**Airflow Streamlines:** One preference for five ordinary.

**Dundonian:** One-for-two.

**Hickson and Welch (Holdings):** Two-for-one.

**James Finlay and Co.:** One-for-two.

**Triefus and Co.:** One-for-five.

## PRELIMINARY RESULTS

| Company | Year to | Pre-tax profit (£000) | | Earnings* per share (p) | | Dividends* per share (p) | |
|---|---|---|---|---|---|---|---|
| Airflow S'lines | Feb. 28 | 910 | (636) | 23.2 | (17.2) | 4.91 | (4.451) |
| Anderson's Rbr. | Mar. 31 | 106 | (72) | 5.8 | (4.2) | 1.552 | (1.403) |
| Armitage Shanks | Apr. 1 | 2,479 | (2,301) | 6.4 | (7.3) | 4.3 | (4.23) |
| Atkin's Hosiery | Mar. 31 | 632 | (509) | 12.9 | (9.4) | 3.673 | (3.289) |
| Brown Shipley | Mar. 31 | 1,310d | (1,060)d | 21.5 | (18.7) | 9.264 | (8.368) |
| Buckley's Brewery | Apr. 1 | 842 | (779) | 4.8 | (4.5) | 1.788 | (1.625) |
| Carless Capel | Mar. 31 | 2,030 | (2,950) | 3.6 | (5.5) | 0.921 | (0.825) |
| Charter Consd. | Mar. 31 | 43,087 | (38,731) | 24.3 | (18.4) | 12.578 | (11.435) |
| Chesterfield Props. | Dec. 31 | 1,785 | (1,543) | 8.8 | (6.9) | c | (3.621) |
| Craig & Rose | Dec. 31 | 252 | (228) | 129.7 | (101.7) | 23.97 | (21.46) |
| Cullen's Stores | Feb. 28 | 234 | (297) | 11.2 | (13.3) | 4.32 | (4.5) |
| Dartmouth Invs. | Mar. 31 | 506 | (256) | 4.9 | (2.6) | 0.81 | (0.73) |
| De la Rue | Mar. 31 | 28,340 | (24,440) | 54.5 | (36.9) | 9.9 | (6.518) |
| Dundonian | Mar. 31 | 527 | (268) | 5.3 | (3.0) | 2.13 | (1.94) |
| Elec. Rentals | Mar. 31 | 13,703 | (10,442) | 16.1 | (13.1) | 5.0 | (2.393) |
| Eva Industries | Mar. 31 | 3,010 | (2,420) | 21.6 | (20.4) | 4.8 | (3.64) |
| James Finlay | Dec. 31 | 15,800 | (11,500) | 61.5 | (54.9) | 6.545 | (5.908) |
| Guthrie Corpn. | Dec. 31 | 19,681 | (13,266) | 31.9 | (13.5) | 15.0 | (10.0) |
| Harrisons & C'field | Dec. 31 | 23,347 | (23,169) | 50.2 | (49.8) | 21.78 | (11.508) |
| J. & W. Henderson | Mar. 31 | 853a | (1,200)b | 25.1 | (21.6) | 8.271 | (9.285) |
| Land Securities | Mar. 31 | 26,310 | (21,560) | 7.8 | (6.7) | 5.31 | (4.804) |
| Leigh Interests | Mar. 31 | 861 | (589) | 7.4 | (7.1) | 3.63 | (0.976) |
| Macanie | Dec. 31 | 200 | (275) | 2.5 | (2.5) | 1.975 | (1.791) |
| Metal Box | Mar. 31 | 55,777 | (58,086) | 64.9 | (61.0) | 14.866 | (13.425) |
| Parkland Textile | Mar. 3 | 1,290 | (1,140) | 23.5 | (17.4) | 3.176 | (2.869) |
| Rowton Hotels | Dec. 31 | 950 | (690) | 9.6 | (7.3) | 6.207 | (5.609) |
| 600 Group | Mar. 31 | 11,214 | (10,628) | 11.6 | (10.3) | 4.08 | (3.68) |
| Scotcros | Mar. 31 | 630 | (1,180) | 5.1 | (9.2) | 3.276 | (2.903) |
| Sumrie Clothes | Apr. 1 | 203 | (93) | 3.6 | (1.6) | 1.5 | (1.25) |
| Times Veneer | Dec. 31 | 159 | (170) | 2.3 | (1.1) | 0.41 | (0.376) |
| Triefus | Dec. 31 | 631 | (500) | 12.3 | (9.8) | 2.225 | (2.023) |
| UKO Intl. | Mar. 31 | 3,343 | (4,165) | 10.1 | (24.9) | 8.8 | (8.0) |
| Wedgwood | Apr. 1 | 8,350 | (7,730) | 35.2 | (37.8) | 7.48 | (6.7) |
| Westbrick Prods. | Mar. 31 | 331 | (206) | Nil | (4.5) | 1.5 | (2.924) |

## INTERIM STATEMENTS

| Company | Half-year to | Pre-tax profit (£000) | | Interim dividends* per share (p) | |
|---|---|---|---|---|---|
| Bertrams | Apr. 2 | 75L | (91)L | Nil | (Nil) |
| Bond St. Fabrics | Mar. 31 | 248 | (151) | 0.75 | (0.75) |
| Brooke Tool | Mar. 31 | 121 | (52) | 1.1 | (—) |
| Burco Dean | Mar. 31 | 720 | (505) | 1.675 | (1.5) |
| Comet Services | Mar. 4 | 4,243† | (3,098)‡ | 1.311 | (1.078) |
| Compco | Sept. 25 | 39 | (24) | Nil | (Nil) |
| Dublin Bank | Mar. 31 | 289 | (154) | 1.0§ | (0.873)§ |
| Elson & Robbins | Mar. 31 | 940 | (760) | 1.351 | (1.21) |
| Grand Metrop. | Mar. 31 | 43,155 | (27,160) | 1.75 | (1.6) |
| Hanson Trust | Mar. 31 | 11,400 | (11,200) | 3.025 | (2.75) |
| Hickson & Welch | Mar. 31 | 3,740 | (4,885) | 1.33 | (1.21) |
| Martin Newsagent | Apr. 2 | 1,886 | (1,609) | 2.838 | (2.189) |
| McCorquodale | Mar. 31 | 2,270 | (1,730) | 5.75 | (4.3) |
| Robt. Kitchen Tylr. | Mar. 31 | 581 | (117) | — | (—) |
| RKT Textiles | Mar. 31 | 579 | (399) | 2.935 | (1.583) |
| United Spring | Mar. 31 | 676 | (278) | 0.55 | (0.5) |

(Figures in parentheses are for corresponding period.)
Dividends shown net unless otherwise stated.
* Adjusted for any intervening scrip issue. † For 27 weeks. ‡ For 26 weeks. § Gross. a For 12 months. b For 15 months. c 4p if *dividend restraint is lifted. If not, 2.245p at current tax rates or* 2.279p at 33 per cent ACT. d Net. L Loss.

BIDS AND DEALS

# Henshall directors back Petford

Shareholders of W. Henshall and Sons (Addlestone) were bombarded with three separate circulars yesterday.

First they received the official offer document from Petford—which is bidding 30p a share—reaffirming that even if its offer fails it intends to stay put as a minority shareholder.

At that stage Petford had 7 per cent of the shares but within hours came the second document. This was from Henshall's Board saying that it was joining Petford's camp as far as its 20.9 per cent holdings are concerned.

Finally, Bovbourne the private company which acquired 50 per cent of Henshall's shares from three holdings and then made an offer of 20p to remaining shareholders, announced that it wants to have six of its own men appointed to Henshall's Board. It has called for an extraordinary meeting of shareholders to consider the appointments and warns that it intends to support the additions to the Board with the utmost strength.

Meantime, Henshall's Board says simply that Bovbourne's offer is insufficient and backs up the claim with figures for the year to March, 1978, which also suggest that Petford's offer is not over-generous.

Pre-tax profits are said to be £244,568, more than two and a half times the previous year's £92,449, on turnover up from £2.1m to £2.65m. Earnings per share are 4.3p on which basis Petford is offering an exit p/e of 7 and Bovbourne is offering 4.7. The dividend has been trebled to 1p per share (0.325p).

The company has also taken the opportunity to revalue its *properties and net asset value is* now said to be 47.2p a share.

## LINDSAY & WILLIAMS

Lindsay and Williams has been notified by Security Growth that it has voting control over 178,000 ordinary shares (17.11 per cent).

## MILLAR & BEATTY

The *cash offer* by Hardy and Co. (Furnishers) for the preference shares in its Irish subsidiary, Millar and Beatty, not already owned has gone unconditional. *The offer will remain open.*

As at June 8, acceptances of the offer had been received in respect of 1,801 shares which, together with the 1,043 owned by Hardy *on May 4*, represent 47.4 per cent of the capital.

Hardy has received representations on behalf of certain preference holders about the offer, but after careful consideration *has decided not to increase it.*

## BLADE/MARLER

Blade Investments hopes that shareholders of Marler Estates will reject its offer of 25p per share. The bid was necessary *under the City Takeover Panel* rules because Blade agreed to buy 62 per cent of Marler. Blade intends to maintain the Stock Exchange quotation of Marler and reduce its stake to between 30 and 40 per cent.

An up-to-date valuation of Marler's property shows that shareholders' funds are worth 23.7p per share. But the shares have recently stood in the stock market at above the offer price of 25p per share.

The board of Marler makes no recommendation to shareholders on whether to take the offer, *except to advise them to consult* their professional advisers.

## WIMPEY BID

Wimpey Property Holdings, a subsidiary of George Wimpey, is offering to pay £1.54m for a company *which has a land bank in* excess of 100 acres.

The company is South Coast Land Society, a residential house builder. Its board, which controls 30 per cent of the shares, and which has already accepted Wimpey's offer, is forecasting pre-tax profits of not less than £90,000 for the year to the end of June, after directors' fees of not more than £14,000.

Terms of the offer are £130 in cash for every £1 share.

## ELSWICK-HOPPER

Following Elswick - Hopper's acquisition of the Falcon Group in January, the balance of the consideration has now been paid.

Further consideration comprised £270,000 which was paid *as to £180,000 in cash and £90,000* satisfied by the allotment of 517,539 ordinary shares. As a result, total consideration paid for the acquisition amounted to *£620,000.*

Mr. E. A. Clements, director, has notified the Board that as a result of this further allotment of shares his holding has been *increased to 1,906,427 shares (8.7* per cent).

## FIFE FORGE

Fife Forge has acquired 26.59 per cent of W. L. Byers, Sunderland, suppliers of anchors and ancillary equipment, for £73,123, satisfied by £53,493 cash and the issue at 50p of 39,238 ordinary shares.

Draft profit and loss account of Byers for the 10 months ended December 31, 1977, showed net assets of £263,737 and profit before tax of £102,454.

The majority shareholding of 73.41 per cent in Byers is owned by T. S. Forster and Sons, a wholly owned subsidiary of Fife Forge.

## LAIC EXTENSION

Colonial Mutual Life Assurance Society has extended its offer for London Australia Investment from June 15 to July 12.

Acceptances have been received in respect of 6,489,020 shares (86.5 per cent).

## LLOYDS & SCOTTISH

Lloyds and Scottish has acquired the capitals of Scottish Discount and Systems Consultants not already owned. Consideration was £492,644 satisfied by 310,746 Ordinary shares and £215,299 cash.

## SHARE STAKES

S. Pearson and Son: M. J. Hare, director, has disposed of 10,000 shares.

*Canadian and Foreign Investment Trust*: Kuwait Investment Office has disposed of its interest of 955,000 shares (9.95 per cent). London and Manchester Assurance Company has interest in 350,000 shares (5.09 per cent).

Greens Economiser Group: Sun Alliance and London Assurance hold 473,000 (3.734 per cent)—previously 5.191 per cent.

Electronic Rentals Group: R. K. Black, director, sold 25,000 shares yesterday at 126p.

Linread: G. H. Edwards, director, on May 24, sold 16,250 shares and 3964 convertible loan stock.

Benlox Holdings: Trustees of the J. A. Olney Settlement have disposed of 10,000 shares. Holding now 100,000 shares (8.9 per cent).

## WORCESTER CONTROLS ACCEPTS BTR

The board of Worcester Controls Corp, the Boston-based manufacturer of industrial control equipment, has decided to accept a takeover bid by BTR worth $30 per share in cash. The *company also confirms that* executives and shareholders owning about 32 per cent of the stock had agreed to the sale.

It said that the acquisition, if approved, would be completed in late summer or early autumn.

## DAVY IN BRAZIL

Davy International has acquired 35 per cent of the capital of Sertep SA Engenharia e Montagem of Rio de Janeiro, in Brazil. Davy's subscription of about £1m raises Sertep's capital to £2.9m.

Sertep is a diversified Brazilian engineering and construction company and this investment will allow Davy to increase its participation in the growing market in Brazil for industrial process plants.

## DORADA PULLS OUT

The offers by Dorada Holdings for Mansion House Finance and Taurus Vehicle Leasing have been allowed to lapse.

## NO PROBES

The Secretary of State for Prices and Consumer Protection has decided not to refer the following proposed mergers to the Monopolies and Mergers Commission: Clifford Dairies and County Dairies Group; Hilleshog AB and Miln Marsters Group.

# WORLD STOCK MARKETS

## Easier tendency on Wall St.

**INVESTMENT DOLLAR PREMIUM**

**$2.60 to £—113% (111½%)**
**Effective $1.8268—49¾% (48¾%)**

*AN EASIER TENDENCY prevailed* in reduced trading on Wall Street yesterday, reflecting some profit-taking and the "explosive" expansion in the U.S. money supply. Some investors fear the burst in the Money Supply will force the Federal Reserve Board to tighten *credit policy further, hurting the* economy.

The Dow Jones Industrial Average shed 2.86 to *839.23, reducing* its rise on the week to 11.69, while the NYSE All Common Index, at $56.08, lost 12 cents on the day but was still up $1.05 on the week. Losses led gains by 739 to 683, while the trading volume fell 6.91m shares to 32.47m.

*Union Bancorp* spurted ahead 11⅝ to $26—Standard Chartered Bank of Britain agreed in principle to buy *Union for $33 a* share, or about $372m.

Cutler-Hammer dipped $1⅛ to $55¾—*it lost the first round in a* bid for Court aid in stopping Tyco Labs. from buying more Cutler *shares*.

PET eased $⅝ to $53½ but **Hardee's Food System** added $⅜ at $16⅝—PET recommended holders reject **IC Industries'** bid.

Todd Shipyards were lifted $4½ to $27. **Chesapeake of Virginia** $3½ to $32⅝. **Albany International** $2½ to $33¾ *and* **Scott Paper $1¼** *to* $18⅝.

Teledyne rose $2 to $115⅞ and Chromally *American* $2¼ to $22⅞. THE AMERICAN SE Market Value Index put on another 0.25 to 140.35, making a rise of 3.74 on the week. Volume eased to 4.65m *(5.69m) shares.*

**Worcester Controls** picked up $¼ to $29¼ — it approved a merger with Britain's *BTR*.

CANADA — Stock markets were mixed *in moderately active trad*ing yesterday, when the Toronto Composite Index shed 2.4 to 1143.1

The Metals and Minerals Index lost 5.0 to 977.4. Utilities 0.75 to 175.02 and Banks 2.26 to 278.32, but Golds put on 1.6 to 1370.5. Oil and Gas rose 2.0 to 1394.2 and Papers firmed 0.02 to 116.68.

AUSTRALIA—Stronger with gains among leading Industrials and Minings.

**Western Mining** rose 13 cents to A$1.56 on its copper strike *announcement earlier this week.*

Overseas stocks improved on further assessment of Government's foreign investment rule changes.

**Central Pacific** moved up A$1.10 to A$7.20 and **Southern Pacific** 28 cents to A$2.60 on news three oil companies are interested in joining the Rundle oil shale deposits development.

*PARIS—Narrowly mixed in* quiet trading.

Electricals, Chemicals and Stores slightly easier.

Golds fell on bullion price, Germans well-maintained, U.S. stocks mixed.

TOKYO—Below the best after *late profit taking. Volume 320m* (310m) shares.

JOHANNESBURG—Gold shares quietly easier, following lower bullion trend and lower than expected JCI Group gold dividends.

Mining Financials weaker. Platinums rose on producer price increase.

SWITZERLAND — Steady in *light trading.*

Leading Banks and Financials mixed. Insurances little changed. Industrials mixed.

Domestic and Foreign Bonds generally slightly higher in quiet dealings.

HONG KONG—Sharply higher in large volume, with substantial orders from London investors.

BRUSSELS—Lower in quiet trading.

FN rose Frs 110 to Frs 2800—*it will start U.S. arms production* next year. Cockerill up Frs 16 to Frs 484 following its steel wire agreement with Estel.

GERMANY—Generally steady following some lively trading.

Leading Banks and Stores firmer.

**FRIDAY'S ACTIVE STOCKS**

| | Stocks traded | Closing price | Change on day |
|---|---|---|---|
| Fannie Mae | 543,900 | 18⅞ | +⅛ |
| Scott Paper | 518,000 | 18⅝ | +1⅛ |
| Massey-Ferguson | 306,600 | 11 | −⅛ |
| Anchor Hocking | 305,400 | 29½ | −⅛ |
| Sambo's Restaurants | 299,600 | 20⅛ | −⅛ |
| Sears Roebuck | 279,000 | 24 | −⅛ |
| Eastern Air Lines | 260,100 | 12⅛ | +⅛ |
| Western Air Lines | 247,000 | 11⅛ | +⅛ |
| Deere | 240,200 | 33½ | +1 |
| Ralston Purina | 218,100 | 13⅞ | −⅛ |

**SINGAPORE**

| June 9 | $ | June 9 | $ |
|---|---|---|---|
| **Industrials** | | Straits Trad'g | 6.80xd |
| Boyis | 0.71 | Times Pub. Berhad | 3.12 |
| Boustead Co. | 2.10xr | U. Engineers | 1.53 |
| Boustead Bhd. | 2.17 | U. Ov's. Bk. | 3.0 |
| Dunlop | 3.88 | Wearne | 2.95 |
| Esso | ‡3.00xd | Tractor | 4.12xd |
| Fraser Neave | 4.80 | Chemical | †4.30 |
| Haw Par | 1.05 | Willm Jacks | †1.40 |
| Hume Ind. | 1.70 | **Rubbers** | |
| Inchcape | 1.88 | Batu Lintang | †1.71 |
| Jardine | 2.78 | Dunl'p Estate | 5.68 |
| Malay Brew. | 5.15 | Kempas | — |
| Malay Cemt. | †2.65 | | |
| Mal. Tobacco | 660 | | |
| Met. Bx. Sing | 2.78 | | |
| Ov'sChin.Bk | 7.80xb | **Tins** | |
| Pan Electric | 1.82 | Austral. Am. | 4.65 |
| Robinson Co. | 2.35 | Berjuntai | †2.05 |
| Rothmans | 3.82 | Kampar | — |
| Shell | 2.80 | Kuchai | †1.03 |
| Sime Darby | 2.29 | Lower Perak | — |
| Cold Storage | 2.21xd | Petaling Tin | †5.90 |
| Straits Steam | 2.20xd | Supreme Cp. | 2.42 |
| Straits Times | 6.35 | Tongkah Hbr. | — |

## Indices

**NEW YORK—DOW JONES**

| | June 9 | June 8 | June 7 | June 6 | June 5 | June 2 | 1978 High | 1978 Low | Since compilat'n High | Since compilat'n Low |
|---|---|---|---|---|---|---|---|---|---|---|
| Industrials | 839.23 | 842.09 | 861.92 | 856.51 | 863.83 | 847.54 | 866.51 | 742.12 | 1051.70 | 41.22 |
| H'me Bonds | 87.50 | 87.79 | 87.85 | 87.81 | 88.08 | 87.90 | [illegible] | [illegible] | [illegible] | [illegible] |
| Transport | 230.72 | 231.80 | 231.50 | 231.85 | 228.55 | 226.04 | 231.85 | 199.31 | 279.88 | 13.23 |
| Utilities | 105.45 | 107.10 | 108.84 | 108.86 | 106.89 | 106.98 | 110.98 | 102.84 | 163.32 | 10.58 |
| Trading vol. 000's | 32,470 | 39,380 | 55,050 | 51,970 | 49,680 | 41,860 | | | | |

*Basis of index changed from August 24

| | June 2 | May 26 | May 19 | Year ago (approx) |
|---|---|---|---|---|
| Ind. div. yield % | 5.30 | 5.59 | 5.48 | 4.81 |

**STANDARD AND POORS**

| | June 9 | June 8 | June 7 | June 6 | June 5 | June 2 | 1978 High | 1978 Low | Since compilat'n High | Since compilat'n Low |
|---|---|---|---|---|---|---|---|---|---|---|
| ‡Industrials | 110.52 | 110.67 | 110.75 | 110.38 | 110.65 | 106.48 | 111.95 | 95.52 | 134.54 | 3.52 |
| ‡Composite | 99.95 | 100.21 | 100.15 | 100.32 | 99.99 | 99.14 | 100.52 | 86.90 | 125.85 | 4.40 |

| | June 7 | May 31 | May 17 | Year ago (approx.) |
|---|---|---|---|---|
| Ind. div. yield % | 4.86 | 5.01 | 4.85 | 4.63 |
| Ind. P/E Ratio | 9.51 | 9.49 | 9.55 | 10.01 |
| Long Govt. Bond yield | 8.48 | 8.51 | 8.42 | 7.65 |

**N.Y.S.E. ALL COMMON**

| June 9 | June 8 | June 7 | June 6 | 1978 High | 1978 Low |
|---|---|---|---|---|---|
| 56.08 | 56.20 | 56.11 | 56.18 | 56.20 (8.6) | 48.67 (6.3) |

**Rises and Falls**

| | June 9 | June 8 | June 7 |
|---|---|---|---|
| Issues traded | 1,895 | 1,912 | 1,924 |
| Rises | 683 | 877 | 726 |
| Falls | 739 | 600 | 801 |
| Unchanged | 473 | 435 | 397 |
| New Highs | — | 185 | 98 |
| New Lows | — | 17 | 38 |

**MONTREAL / TORONTO / JOHANNESBURG**

| | June 9 | June 8 | June 7 | June 6 | 1978 High | 1978 Low |
|---|---|---|---|---|---|---|
| MONTREAL Industrial | 183.61 | 184.43 | 185.82 | 184.66 | 184.43 (8/6) | 162.40 (30/1) |
| Combined | 186.93 | 186.08 | 189.23 | 186.60 | [illegible] | [illegible] |
| TORONTO Composite | 1143.1 | 1145.5 | 1145.4 | 1144.0 | 1145.5 (8/6) | 998.2 (30/1) |
| JOHANNESBURG Gold | 215.5 | 215.8 | 214.1 | 210.5 | 215.7 (1/2) | [illegible] |
| Industrial | 225.5 | 226.1 | 224.3 | 225.0 | [illegible] | [illegible] |

| | June 9 | Pre-vious | 1978 High | 1978 Low | | June 9 | Pre-vious | 1978 High | 1978 Low |
|---|---|---|---|---|---|---|---|---|---|
| Australia | 466.06 | 464.60 | [illegible] | [illegible] | Spain | 104.92 | 104.86 | [illegible] | [illegible] |
| Belgium | 96.58 | 96.82 | [illegible] | [illegible] | Sweden | [illegible] | 367.86 | [illegible] | [illegible] |
| Denmark | 95.87 | 95.89 | [illegible] | [illegible] | Switzerl'd | 292.7 | 292.2 | [illegible] | [illegible] |
| France | 70.4 | 70.6 | [illegible] | [illegible] | | | | | |
| Germany | 791.5 | 791.6 | [illegible] | [illegible] | | | | | |
| Holland | 87.0 | 86.8 | [illegible] | [illegible] | | | | | |
| Hong Kong | 517.04 | 505.28 | 517.04 | 383.44 | | | | | |
| Italy | 63.44 | 62.93 | [illegible] | [illegible] | | | | | |
| Japan | 411.67 | 411.04 | 416.11 | 364.04 | | | | | |
| Singapore | 315.59 | 310.77 | [illegible] | [illegible] | | | | | |

Indices and base dates (all base values 100 except NYSE All Common—50 Standard and Poors—10 and Toronto 300-1,000, the last named based on 1975). ‡ Excluding bonds. † 400 Industrials. § 400 Inds., 40 Utilities, 40 Finance and 20 Transport. (‡) Sydney All Ord. (¶) Belgian SE 31/12/63. (**) Copenhagen SE 1/1/73. (††) Paris Bourse 1961. (‡‡) Commerzbank Dec., 1953. (§§) Amsterdam, Industrial 1970. (¶¶) Hang Seng Bank 31/7/64. (|||) Milan 2/1/73. (a) Tokyo New SE 4/1/68. (b) Straits Times 1966. (c) Closed. (d) Madrid SE 30/12/77. (e) Stockholm Industrial 1/1/58. (f) Swiss Bank Corp. (u) Unavailable.

**NEW YORK** (share prices, June 9 / June 8) — [illegible]

**CANADA** (share prices, June 9 / June 8) — [illegible]

**GERMANY ♦** — [illegible]

**PARIS** — [illegible]

**AUSTRALIA** — [illegible]

**TOKYO ¶** — [illegible]

Source Nikko Securities, Tokyo

**VIENNA** — [illegible]

**JOHANNESBURG** — MINES — [illegible] — INDUSTRIALS — [illegible]

Securities Rand $U.S.0.73 (Discount of 36.52%)

**STOCKHOLM** — [illegible]

**BRUSSELS/LUXEMBOURG** — [illegible]

**AMSTERDAM** — [illegible]

**COPENHAGEN ♦** — [illegible]

**SWITZERLAND ♦** — [illegible]

**MILAN** — [illegible]

**OSLO** — [illegible]

**SPAIN ▼** — [illegible]

**BRAZIL** — [illegible]

Vol. Cr.112.8m. Shares 51.1m. Source: Rio de Janeiro SE.

NOTES: Overseas prices exclude $ premium. Belgian dividends are after withholding tax. [illegible]

## F.T. CROSSWORD PUZZLE No. 3,689

*A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.*

*Name* ..........

*Address* ..........

..........

**ACROSS**

1 Shell has an awkward customer (4,4)
5 Abandoned goods stranded in aircraft before morning (6)
10 Aircraft blown up by diehard colonel (5)
11 Only one tenth of produce goes to this store (5,4)
12 Group that could be sent reeling (9)
13 Tree found in well-placed arboretum (5)
14 Drawback to Carmen's resting place (4,2)
15 Another pie sold as plunder (7)
18 Frenchman wrongly condemned for tampering with fur dyes (7)
20 Month poem takes to turn into ordinary language (6)
22 Church official found in tree (5)
24 Risk coming to river (9)
25 Coach for training travellers taking courses in consumption (6,3)
26 Poor player endlessly needing religious teacher (5)
27 Play-actor taking mother's part? (6)
28 Wine store for the Spanish in Bordeaux (8)

**DOWN**

1 A man's drink reaching the tongue (6)
2 Drops measurer in getting strange urge again (4,5)
3 Paris has money abroad (7,2,6)
4 Drop off when losing 6—0 (3,4)
6 Restrain oneself in direction of PT (8,7)
7 Turf out of southern polling district (5)
8 Ferocious beast for chap to put through its paces (8)
9 Listen to a pussyfoot getting close (6)
16 One or three say it's a strange pain-killer (3,6)
17 A divine finish by upper class Frenchman to appendix (8)
19 Way article on church takes driver's position of course (6)
20 Cover I'd arrange to separate (7)
21 One caught in small department during show (8)
23 Dug for gold when upset by overall material (5)

**Solution to puzzle No. 3,688**

STRIPLING STALL / NICHE LARKABOUT / CHINCHILLA CLAW / STIPEND DRIBLET / MIRACLE UNHITCH / CODE TAKESAMISS / LEGISLATE TIGER / NOTED EASINGOFF

**SOLUTION AND WINNERS OF PUZZLE No. 3,683**

BALLADE LONGSHOT / CRYINGOFF RULER / DAIS ISLEOFDOGS / WOUNDUP TWINGE / PERMIT CONTENT / CASUALWARD SKIM / AESOP OPERATIVE / RELIEVED CLOTHE

Following are the winners of last Saturday's prize puzzle:

Mr. E. M. R. Brown, 56 Wychwood Avenue, Knowle, Solihull, West Midlands.

Miss M. Everett, Lyndon House, 35 London Road, Hertford SG13 7LG.

Mr. I. W. Slater, 45 Oakwood Hill, Loughton, Essex.

**RACING** — **BY DOMINIC WIGAN**

## Dancing Maid set to take the Oaks

IN SPITE of the poor record *of recent French challengers, it* is difficult to understand why Dancing Maid is freely available at 7—2 for today's 200th renewal of the Oaks.

Alec Head's Lyphard filly has won both her races this season *in emphatic style, with her best* performance in the Poule d'Essai de Pouliches at Longchamp. In that event—France's 1,000 Guineas—Dancing Maid was *never tackled, and ran out* a five lengths winner from Fruhlingstag.

Although it is difficult to ascertain the value of that form, it seems probable that the quality of the Poule Essai de Pouliches field at least matched that of our own apparently substandard 1,000 Guineas. For this reason I have no hesitation in going for Dancing Maid, whose rider, Freddie Head, a former French champion jockey, should *have no problem in this handy*-sized 15-runner field.

*If there to be a surprise*, I believe it will be created by Spring in Deepsea, who was clearly already feeling the effects of a virus when so disappointing *in the Tote Free Handicap.* Trainer Luca Cumani does not rate her quite in the same class as last year's runner-up to Dunfermline, Freeze the Secret: but then *she* might not have to be, to give him an overdue first *classic success.*

The Queen, who owned Dunfermline, has Tartan Pimpernel running for her this time, but I do not expect this filly or another *improving three-year-old in her* ownership, Alma, among the runners for the Hermes Stakes, to prove quite up to obliging this afternoon.

*Alma, who carries 8 st 9 lb* in the valuable one-mile 110 yards Hermes Stakes, seems unlikely to be good enough to concede five lbs to Henry Candy's recent Salisbury winner, the Busted chestnut, Collapse.

Thirty-five minutes before the Hermes Stakes, that much-respected Epsom trainer, Staff Ingham, is remembered with a six-furlong event for two-year-olds carrying his name. Here I intend taking a chance with the Newmarket challenger, Iceni Star, a respectable seventh of 16 behind Mixed Applause on her *local course* recently. This filly, ridden by Paul Cook, one of the most underrated jockeys now riding, is taken to win at the chief expense of the Dragonara Palace colt, Kingsbere. The latter ran on strongly to win a 19-runner event at York on his only previous appearance.

Mr. Daniel Wildenstein, who *was clearly surprised with the* ease with which his good colt Crow brushed aside the challenge of Balmerino in Thursday's Coronation Cup, could have more to be pleased about after the Ashstead Stakes. Here his Bold Lad (U.S.) colt *Pathfinder can increase* his stallion value with a win over Gaugin.

Pathfinder is a half-brother to Pawneese, one of Epsom's best postwar Oaks winners.

**EPSOM**

1.45—Iceni Star
2.20—Collapse***
2.55—Dancing Maid**
3.30—Tarenzo
4.05—House Guard
4.35—Pathfinder*

# INTERNATIONAL FINANCIAL AND COMPANY NEWS

## Domestic business boosts PKbank

BY WILLIAM DULLFORCE

STOCKHOLM, June 9.

THE STATE-OWNED PKbank, Sweden's largest commercial bank, improved earnings by 33 per cent to Kr 180m ($39.1m) during the first four months of this year. If the Swedish discount rate remains at 7 per cent and the Riksbank, the central bank, does not tighten credit policy further, PKbank expects profits for 1978 as a whole to fall within the Kr 650-680m bracket, 25-30 per cent higher than in 1977.

The 33 per cent profit climb in the first four months was partly a recovery from the relatively poor performance in the corresponding period of last year, when credit restrictions were at their most stringent. But the swifter growth in the volume of business, the lower discount rate, a reorganisation of the bank's placements and a decline in the interest rate paid on special deposits have also played a part.

In contrast to developments over the past two years, the profit growth in the first four months came wholly on the domestic front, and not from the expansion of foreign business. The balance sheet total increased by 15 per cent compared with 8 per cent during the first four months of 1977.

Deposits rose by 11 per cent, but PKbank's share of total bank deposits dropped a percentage point to 21.4 per cent because deposit growth was strongest in the business sector, where the bank is weakest. Lending increased by 17 per cent.

Net interest income rose by 26 per cent to Kr 411m, while commissions on domestic business put on 33 per cent to Kr 52m. Commissions from foreign business dropped 46 per cent to Kr 11m. Total income was up 22 per cent to Kr 484m, while costs grew by 19 per cent to Kr 153m.

## FN plans U.S. arms plant

LIEGE, June 9.

BELGIAN small arms maker Fibrique Nationale Herstal (FN) plans to start producing machine guns and small arms in the U.S. next year a move which it regards as essential in view of a Washington ruling that half the value of all arms contracts granted by the Government must consist of U.S.-made products.

FN, which last year took control of the Browning non-military firearms company of the U.S., is negotiating to buy a factory in South Carolina and intends to have some 300 people employed there by 1980.

It hopes to attract new machine gun orders from the U.S. Government and is also completing deliveries on an order won two years ago for 10,000 machine guns from the U.S. army for use on tank and armoured troop carriers.

The contract ruling was brought in after that order was obtained, and FN says "it is, therefore, vital for us to open up our own production in the U.S. which will also improve our knowledge of sub-contracting there."

The company, Europe's largest maker of small arms, already has a factory in California producing golf clubs. Talks on the new arms plant should be completed in a few months.
Reuter



## Profits up at CGE

PARIS, June 9.

CGE, the major French electrical and electronic group, reports an increase of 30 per cent in consolidated earnings for 1977 and expects a further "substantial" improvement this year.

Consolidated earnings rose to FFrs390.1m ($84m) from FFrs303m in 1976 on sales of FFrs32.7bn, up from FFrs27.6bn. Group orders at the end of 1977 stood at FFrs35.9bn compared to FFrs31.1bn a year earlier.

In the first quarter of 1978, the group emerged with net turnover of FFrs8.29bn against FFrs7.58bn at the end of March 1977. Turnover for the whole of this is forecast at around FFrs37bn.
Agencies



## CSR hits at Australian investment guidelines

By James Forth

SYDNEY, June 9.

CSR, the major industrial and mining group, today made public its opposition to the Australian Government's proposed changes in its foreign investment guidelines, revealed yesterday. The chief executive of CSR, Mr. R. G. Jackson, said that certain matters needed to be watched carefully if the guidelines were to produce the intended results.

The Government's proposals represented a serious departure from the objective of retaining 50 per cent Australian equity in new mineral projects, he argued.

"The commitment to naturalisation does not seem to be enforceable. The time frame to be allowed is apparently open ended."

He suggested that instead of naturalising current foreign-owned operations, companies could set up "pup" companies and naturalise only new projects. Mr. Jackson maintained that this would make nonsense of the whole concept of naturalisation. He also suggested that the Government's statement was not clear enough regarding company takeovers by companies granted honorary Australian status.

It remained a major concern that the changes would permit a flood of foreign takeovers of smaller and weaker Australian owned resource companies.

## Branch profits to be taxed

Financial Times Reporter

FOREIGN COMPANIES with branch offices in Australia are to be taxed an extra 5 per cent on taxable profits in addition to the 46 per cent company tax from this fiscal year, ending June 30, Mr. John Howard, the Treasurer, has announced in Canberra. The move was foreshadowed in the Financial Times last Friday.

Mr. Howard said that there was a lack of balance in the tax system between foreign companies with subsidiaries here and those with branch offices. Subsidiaries pay 15 per cent withholding tax on dividends remitted overseas whereas branch offices are exempt.

Non-resident life assurance companies, however, will be excluded as the additional tax on these profits will be borne by local policy holders.

The branch office tax will not apply for the whole of the current 1977-78 fiscal year, but for the period from November 4, 1977, to June 30, 1978.

BRITISH BANKS IN THE US

## Banking freedoms a major attraction

BY DAVID LASCELLES IN NEW YORK

"THE British are coming" is how the U.S. Press headlined last month's announcement of National Westminster Bank's plan to buy the National Bank of North America for $300m. The excitement was due to the fact that only a few weeks before the Hong Kong and Shanghai Bank (which was loosely termed here as a "British colonial bank") had agreed to take control of Marine Midland, one of the major New York banks, for some $260m.

Yet now, only four weeks later another British bank, has appeared on the scene with an acquisition that, in money terms at least, outstrips all the previous offers.

Standard Chartered's decision to buy Union Bank in California for $372m makes it the fourth major British bank to have moved into the U.S. banking scene by means of an outright purchase (the fifth if Hong Kong Shanghai is included) in the last five years. In addition, Midland Bank has made an appearance here, but as a member of the EBIC group which owns European-American Bank.

Combined, these purchases make the British banks by far the most prominent foreign banking presence in the U.S., though the Germans, Dutch and Japanese are also beginning to make a mark.

There are several reasons why European and other banks from industrially advanced countries should be taking such bold strides into this market.

One is that local banks do not have the market entirely tied up. U.S. banking laws are such that domestic banks are tightly restricted in their operations, particularly insofar as inter-state banking is concerned. No bank may operate branches in more than one state (in some states they are even restricted to a single branch), and within each state there are extra regulations governing the way they do business.

These regulations, however, do not apply to foreign banks. This means that while Bank of America, the country's largest bank, is confined to its home state of California, Barclays Bank is permitted to—and does—operate in both California and New York. In other words, foreign banks have a strong competitive advantage over domestic banks, enabling them to draw on a wider source of funds, and provide wider-ranging services.

Other reasons drawing in foreign banks include the apparent low cost—in historical terms—of U.S. assets. The decline of the dollar has been cited by British banks as an important consideration in their decisions to buy. These banks have also been keen to develop their inflow of dollars, and the acquisition of a ready-made branch network in a U.S. state is probably one of the speediest and least complicated ways of doing it.

Not that deals are easy to strike. In most recent cases there have been special reasons why the U.S. bank concerned was prepared to be taken over. At Marine Midland it was a shortage of capital. In National Bank of North America's case it was the desire of its owner CIT, a diversified concern, to rid itself of a bank and thereby escape the constrictions of the bank laws which were hampering its other operations. Even Standard Chartered's success today was preceded some years ago by its failure to buy Bank of California.

Foreign banks eyeing the U.S. market have also to consider the possibility—however remote it may currently seem—of a change in U.S. banking laws which could work to their disadvantage.

The growing foreign presence here has not passed without comment, much of it unfavourable. The latest issue of Bank Stock quarterly, published by Schapiros, the broking firm which specialises in bank securities, complains of the unequal opportunities facing banks in the U.S., citing specifically the recent acquisitions by Hongkong and Shanghai and NatWest.

Banking legislation currently being examined by Congress is unlikely to curtail the present activities of foreign banks in the U.S. However, it is not clear how new legislation would treat new entrants from abroad, as opposed to those who are already here. Thus there could be pressures on outsiders to get in sooner rather than later.

MAJOR U.S. ACQUISITIONS BY BRITISH BANKS

| | |
|---|---|
| 1973 | Barclays—1st National Bank of Westchester |
| 1974 | Lloyds—1st Western Bank and Trust |
| 1978 | National Westminster—National Bank of North America |
| | Standard Chartered—Union Bank |

## Railways DM 750m loan

BY JEFFREY BROWN

THE West German Federal Railways (Bundesbahn) is to tap the Frankfurt domestic bond market for DM 750m ($375m) through the issue of a 10-year bond at 99. Coupon has been set at 6 per cent.

The bond will be the first to be issued for some two months following a period of market upheaval due largely to unsettled foreign exchange markets. The Bundensbank continued to provide modest support for the market yesterday, and at the close the three tranches of the most recent state backed loan—which took coupons for long term money down to 5¾ per cent—were still standing at a discount.

However, the Bundesbahn offering has been much more realistically priced, and dealers were expecting little difficulty in its placing.

### Credit Suisse

CREDIT SUISSE has agreed with the tax department of the Canton of Ticino to pay SwFr 22.9m in back taxes and Cantonal stamp duty on behalf of Texon Finanzanstalt, writes John Wicks from Zurich.

The payment consists of some SwFr 19m for outstanding direct taxes, including interest and fines, plus Cantonal stamp duty of about SwFr 3.9m.

Texon was last April named as the company through which SwFr 2.2bn of clients' funds were improperly channelled from the Chiasso branch of Credit Suisse. Chiaso is situated in the Canton of Ticino, where criminal investigations continue into the Texon affair.

### Sleigh purchase

H. C. Sleigh has purchased Executive Air Services Pty by the issue of 1.03m 50 cent par shares, valued at 74.95 cents each, to the vendors, Reuter reports from Melbourne. The company engages in aviation engineering, sales, charter and localised passenger services.

Sleigh said the purchase will complement and considerably expand its current aviation activities through its Forrestair division and the issue lifts Sleigh's paid capital to 76.15m shares from 75.12m.





## COMMODITIES/Review of the week

## Coffee dips as frost fears ease

BY OUR COMMODITIES STAFF

COFFEE PRICES on the London futures market fell back this week as fears of frost damage to the 1978-79 Brazilian crop eased. The September price, which was boosted yesterday morning when the Brazilian weather office issued a new frost warning covering the next 48 hours, fell back in the afternoon to end the week £72.5 lower at £1,766.5 a tonne.


Last week's frost "scare" continued to make for a nervous market early this week and September coffee climbed to a peak of £1,952.5 on Monday. But heavy profit-taking trimmed the price by £250 before further speculative buying became apparent.

The Brazilian weather office lifted its frost warning on Wednesday night although it said that a new cold front was looming on the Brazil/Uruguay border. But the office said yesterday there was a risk of frost in the coffee-growing area over the weekend. The forecast for Parana, the main coffee state, is for dry weather with falling temperatures.

In Washington, meanwhile, the U.S. Department of Agriculture has forecast the 1978-79 world coffee crop at 74.6m bags (60 kilos each), nine per cent up on this season's estimate. Brazil is expected to turn in about 20m bags (2.5m up on this season) provided there is no major frost damage during the next two months.

Cocoa prices were little changed after a relatively featureless week. The September price rallied to narly £1,700 a tonne mid-week but the rise was fuelled mainly by speculative buying and quickly ran out of steam when Ghana and Nigeria began selling at the higher levels. Dealer sentiment appears fairly "bearish" at the moment and many are forecasting further falls.

September cocoa ended the week £8.5 lower on balance at £1,637 a tonne following a £21 fall yesterday.

Sugar prices were boosted towards the end of last week by signs of U.S. buying interest. But as no actual purchases have yet resulted, prices have slipped back to their previous levels. The London daily raw sugar price ended the week £3.5 down on balance at £102 a tonne.

Copper prices lost ground on the London Metal Exchange this week following reports that production at the Kolwezi mines in Zaire was being resumed much faster than expected. Indeed, it was claimed that output had already been restored to a greater rate than before the invasion of the Shaba province.

Dealers greeted these optimistic rpeorts with some sceptism. However, after the recent surge in prices it was considered that the market was overbought, and some heavy speculative profit-taking selling was unleashed.

This was sufficient to counteract news of a cutback in deliveries from the Ilo smelter in Peru, because of labour troubles, and a further fall in warehouse stocks. Cash wirebars closed last night £28.7 down on the week at £749.75 a tonne.

The setback in copper also lowered lead prices, despite a cutback in deliveries from the Boss smelter in Missouri, jointly owned by Amax and Homestake Mining, because of a strike.

Zinc values fell sharply. The decline was accelerated yesterday when National Zinc of the U.S. announced that it was rescinding its recent domestic price increase from 29 to 31 cents a lb. The company claimed that other U.S. producers, who had announced a rise to 31 cents, were not actually implementing the increase. Cash zinc lost £7.75 yesterday to close at £317.5 a tonne, £22 down on the week.

Meanwhile, A.M. and S. (Europe), the main supplier to the UK market, announced yesterday it was raising its official European producer price from $575 to $600 a tonne. This is in line with increases by some other producers; but so far Continental smelters are keeping their prices at $550.

## WEEKLY PRICE CHANGES

| | Latest prices per tonne unless stated | Ch'ge on week | Year ago | 1978 High | 1978 Low |
|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

* Unquoted. † Nominal. ‡ Madagascar.

## MARKET REPORTS

### BASE METALS

[illegible]

### SILVER

Silver was fixed 2.45p an ounce lower for spot delivery in the London bullion market yesterday at 288.2p. U.S. cent equivalents of the fixing levels were: spot 526.1c, down 4.3c; three-month 533.4c, down 4.6c; six-month 546.6c, down 4.6c; and 12-month 567.8c, down 4.2c. [illegible]

### COCOA

[illegible]

### COFFEE

[illegible]

### GRAINS

The UK monetary coefficient for the week from June 12 will remain unchanged.

IMPORTED—Wheat: CWRS No. 1 13½ per cent June $6.75 Tilbury; U.S. Dark Northern Spring No. 2 14 per cent June $6.50, July $6.75, Aug. $7.25 transhipment East Coast sellers; U.S. Hard Winter ordinary unquoted; West Aust. faq unquoted. [illegible]

### RUBBER

[illegible]

### SOYABEAN MEAL

[illegible]

### SUGAR

[illegible]

### JUTE

[illegible]

### WOOL FUTURES

LONDON—The market closed a shade higher on nears, Bache Halsey Stuart reported.

(Pence per kilo)

[illegible]

### MEAT/VEGETABLES

[illegible]

### INDICES

FINANCIAL TIMES

[illegible]

REUTER'S

[illegible]

DOW JONES

[illegible]

MOODY'S

[illegible]

## U.S. Markets

## Copper and precious metals ease

NEW YORK, June 9.

[illegible]

# This week's SE dealings

| | | | | | |
|---|---|---|---|---|---|
| Friday, June 9 | 4,652 | Wednesday, June 7 | 4,532 | Monday, June 5 | 4,644 |
| Thursday, June 8 | 5,203 | Tuesday, June 6 | 4,644 | Friday, June 2 | 4,998 |

The list below records all yesterday's markings and also the latest markings during the week of any share not dealt in yesterday. The latter can be distinguished by the date (in parentheses).

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in pence and fractions of pence.

The list below gives the prices at which bargains done by members of The Stock Exchange have been recorded in The Stock Exchange Daily Official List. Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. Φ Bargains done previous day. ‡ Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $M—$Mexican; $NZ—New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS (741)

SHORT DATED BONDS FREE OF STAMP DUTY

PUBLIC BOARDS (19)

COMMONWEALTH GOVTS. (2)

FOREIGN STOCKS (4)

STERLING FOREIGN CURRENCY BONDS

FOREIGN CORPS. (1)

UK RAILS (—)

BANKS (193)

Sime Darby London (10p) 140Φ. 7½pcPf. 72:Φ 64:Φ
Smith St. Aubyn (Hldgs.) (25p) 87:
Standard Chartered Bank 402:Φ 70Φ 12 15 3 8 11 9. 13½pcUnsec.Ln. 103½ (6/6)
Toronto-Dominion Bank ($C1) 314½ (7/6)
Union Discount London 310

BREWERIES (158)

COMMERCIAL (2,801)

A—B

C—D

E—F

G—H

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

W—Y—Z

## London tourist guides shortage

A SHORTAGE of qualified guides is handicapping London's tourist industry says the Greater London Council.

A report to the council's policy and resources committee next week, also expresses concern at the activities of certain "pirate" guides and suggests a tightening-up of the present system.

The London Tourist Board and the Guild of Lecturers have lists of about 600 qualified guides which are circulated at home and abroad. Some of the names are duplicated. Other guides are on neither list.

At the height of the season there is a general shortage of guides, particularly of those who speak certain languages, principally Arabic.







## EUROPEAN OPTIONS EXCHANGE

| Option | Price | July Close | July Vol. | Oct. Close | Oct. Vol. | Jan. Close | Jan. Vol. | Equity close |
|---|---|---|---|---|---|---|---|---|
| ATT | $55 | 7⅛ | — | 7⅛ | — | 8 | — | $60¾ |
| ATT | $60 | 2½ | — | 3 | — | 3⅝ | — | " |
| ATT | $65 | ¼ | — | ¾ | — | 1⅛ | — | " |
| Citicorp | $20 | 5 | — | 5⅝ | — | 5¾ | — | $24½ |
| Citicorp | $25 | 1 | — | 2 | — | 2¾ | — | " |
| E. Kodak | $40 | 17⅛ | — | 17¾ | — | 18 | — | $56⅞ |
| E. Kodak | $45 | 13 | — | 13¼ | — | 13¾ | — | " |
| E. Kodak | $50 | 7⅝ | — | 8¾ | 1 | 9¾ | 2 | " |
| E. Kodak | $60 | 1½ | 1 | 3⅛ | — | 4⅝ | — | " |
| Exxon | $40 | 7½ | — | 8 | — | 8⅛ | — | $47 |
| Exxon | $45 | 3¼ | — | 4 | — | 4½ | — | " |
| Exxon | $50 | ¾ | — | 1½ | — | 2⅛ | — | " |
| GM | $50 | 12 | — | 12¾ | — | 13¼ | — | $61¼ |
| GM | $60 | 2⅞ | — | 4¼ | — | 5¼ | — | " |
| GM | $70 | ⅛ | — | ⅞ | — | 1⅛ | — | " |
| IBM | $240 | 30 | 3 | 31½ | 8 | 37 | — | $267[illegible] |
| IBM | $260 | 12¾ | 3 | 18 | 5 | 21¼ | 1 | " |
| IBM | $280 | 3⅝ | 11 | 8⅛ | 5 | 11 | 4 | " |
| Sears | $20 | 4¾ | — | 5 | — | 5½ | — | $24 |
| Sears | $25 | 1¼ | — | 2⅛ | — | 2¾ | 3 | " |
| Sears | $30 | ¼ | — | ⅞ | — | 1⅛ | 20 | " |
| Algemene | F330 | 24.50 | — | 25.50 | — | 24.50 | — | F353.[illegible] |
| Algemene | F340 | 16.00 | — | 17.00 | — | 25.00 | — | " |
| Algemene | F350 | 10.00 | — | 11.00 | — | 17.00 | — | " |
| Algemene | F360 | 5.50 | — | 7.00 | — | 10.50 | — | " |
| Amro | F70 | 5.20 | — | 6.00 | — | 7.40 | — | F73.7 |
| Amro | F75 | 1.40 | — | 2.50 | — | 4.50 | — | " |
| Amro | F80 | 1.00 | — | 1.30 | — | [illegible] | — | " |
| KLM | F160 | 20.50 | 1 | 25.50 | — | 31.00 | — | F176 |
| KLM | F170 | 14.00 | 19 | 20.00 | 1 | 25.00 | 3 | " |
| KLM | F180 | 8.00 | 72 | 14.50 | 7 | 19.00 | 8 | " |
| KLM | F190 | 5.50 | 43 | 11.00 | 2 | 15.00 | 6 | " |
| KLM | F200 | 3.50 | 42 | 8.80 | 14 | 10.00 | 19 | " |
| KLM | F220 | — | — | 4.90 | 22 | 7.50 | 17 | " |
| Nat Ned | F100 | 12.80 | — | 13.50 | — | 15.00 | — | F110.[illegible] |
| Nat Ned | F110 | 4.50 | — | 5.50 | — | 8.00 | — | " |
| Nat Ned | F120 | 1.50 | — | 3.00 | — | 3.80 | — | " |
| Philips | F22.50 | 4.50 | — | 4.80 | — | 5.70 | 2 | F26.[illegible] |
| Philips | F25.00 | 2.00 | 20 | 2.90 | 19 | 3.50 | 25 | " |
| Philips | F27.50 | 0.70 | 10 | 1.50 | 31 | 200 | 85 | " |
| R. D. Shell | F120 | 10.00 | 3 | 11.50 | — | 13.00 | — | F128.[illegible] |
| R. D. Shell | F130 | 2.50 | 65 | 4.60 | 11 | 6.60 | 2 | " |
| R. D. Shell | F140 | 0.50 | — | 2.00 | 20 | 3.50 | 10 | " |
| Unilever | F110 | 10.00 | 2 | 12.00 | 38 | 14.00 | — | F119.[illegible] |
| Unilever | F120 | 2.40 | 13 | 4.00 | 24 | 5.50 | 17 | " |
| Unilever | F130 | 0.80 | — | 2.00 | 4 | 2.00 | 11 | " |

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration.

JUNE 2

Siebens 3.96 3.98 4.02 4.00

(By permission of the Stock Exchange Council)

SPECIAL LIST

Business done in securities quoted in the Monthly Supplement.

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an overseas Stock Exchange.

JUNE 9

Ampol Pets. 72

Ampol Ex. 125

# Currency, Money and Gold Markets

## UK MONEY MARKET

# Exceptional shortage

**Bank of England Minimum Lending Rate 10 per cent (since June 8, 1978)**

Day to day credit was in very short supply in yesterday's money market and the authorities intervened by buying a small amount of corporation bills and a large amount of Treasury bills. This was in addition to an exceptionally large amount of eligible bank bills. Part of this package is for resale to the market at a future date. The market was faced with run down bank balances and a small net take-up of Treasury bills. There was also the customary Friday increase in the note circulation. However, by far the biggest cause of the shortage was settlement of gilt-edged stock sold by the authorities on Thursday. The long tap issue was immediately exhausted yesterday morning with the remainder oversubscribed some five times. This was soon replaced by a further 12 per cent Exchequer stock, dated 2013-2017.

In the interbank market overnight loans opened at 10-10½ per cent and rates tended to fluctuate wildly, reaching 12-13 per cent at one point before closing balances were taken around 3 per cent. Longer term rates tended to ease leaving a rather flat if not slightly inverted yield curve. Discount houses paid 9-9¾ per cent for secured call loans at the start and rates showed a very wide spread at the close of 5-9¾ per cent.

At the weekly Treasury bill tender the average rate of discount rose 0.0325 per cent to 9.4253 per cent. The minimum accepted bid was £97.65 compared with £97.79 last week and bids at that level were met as to about 56 per cent. The £300m bills tendered and alloted attracted bids of £789.11m and all bids offered were allotted. Next week £300m will be on offer, replacing maturities of £300m.

## EXCHANGES AND GOLD

Trading in yesterday's foreign exchange market remained extremely quiet ahead of the weekend. Sterling opened at $1.8235-$1.8245 and small demand during the morning saw the rate up to $1.8265-1.8275 before closing at $1.8263-1.8273, a rise of 18 points over the U.S. dollar. Using Bank of England figures, the pound's trade weighted index improved to 61.3 from 61.2. Forward sterling tended to narrow slightly with the six-month discount against the dollar improving to 3.43c from 3.55c, while the 12-month finished at 6.15c against 6.35c.

The U.S. dollar lost ground to most major currencies in very thin trading. Against the Swiss franc it eased to SwFr 1.8930 from SwFr 1.8960 while the French franc improved to FFr 4.5925 from FFr 4.60. Using Morgan Guaranty's calculation at noon in New York, the dollar's trade weighted average depreciation was unchanged at 5.5 per cent and the dollar's index on Bank of England figures showed a slight adjustment to 89.4 from 89.3 on Thursday.

Gold spent a quiet day, finishing at $181¾-182, a loss of $1. The afternoon fix was $181.30, a slight improvement from the morning fix of $181.0 after light selling during the morning. The Krugerrand's premium over its gold content narrowed to 3.37 per cent from 3.63 per cent domestically and widened to 3.37 per cent against 3.33 per cent in international dealings.

### CURRENCY RATES

| June 9 | Special Drawing Rights | European Unit of Account |
|---|---|---|
| Sterling | 0.670202 | 0.673342 |
| U.S. dollar | 1.22352 | 1.22925 |
| Canadian dollar | 1.37059 | 1.37713 |
| Austrian schilling | 18.3926 | 18.4839 |
| Belgian franc | 40.0795 | 40.2672 |
| Danish krone | 6.94592 | 6.97775 |
| Deutsche Mark | 2.55899 | 2.57151 |
| Guilder | 2.74191 | 2.75527 |
| French franc | 5.62697 | 5.65299 |
| Lira | 1054.12 | 1059.27 |
| Yen | 270.153 | 271.910 |
| Norwegian krone | 6.64983 | 6.68325 |
| Peseta | 97.6479 | 98.0452 |
| Swedish krona | 5.66690 | 5.69349 |
| Swiss franc | 2.33645 | 2.34507 |

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

### THE POUND SPOT / FORWARD AGAINST £

| June 9 | Bank rate % | Day's spread | Close | One month | % p.a. | Three months | % p.a. |
|---|---|---|---|---|---|---|---|
| U.S. $ | 7 | 1.8256-1.8275 | 1.8263-1.8273 | 0.77-0.67c pm | 4.74 | 1.81-1.20c pm | 4.05 |
| Canadian $ | 8½ | 2.0410-2.0476 | 2.0460-2.0476 | 0.80-0.70c pm | 4.40 | 1.80-1.60c pm | 3.32 |
| Guilder | 4 | 4.07¾-4.10 | 4.08½-4.09½ | 3½-2½c pm | 7.71 | 8½-7½c pm | 7.46 |
| Belgian Fr. | 5½ | 59.50-59.95 | 59.80-59.70 | 35-25c pm | 6.64 | 100-90c pm | 6.57 |
| Danish Kr. | 8 | 10.31½-10.38 | 10.32½-10.33½ | 1½-4½ ore dis | -3.78 | 6-8 ore dis | -2.70 |
| D-Mark | 3 | 3.80½-3.85 | 3.80½-3.81½ | 3-2 pf pm | 7.87 | 8½-7½ pf pm | 7.35 |
| Port. Esc. | 18 | 85.00-84.00 | 85.40-85.80 | 15-185c dis | -12.81 | 75-475c dis | -12.13 |
| Span. Pes. | 8 | 145.45-145.85 | 145.75-145.95 | 50-110c dis | -6.78 | 110-180c dis | -3.98 |
| Lira | 11½ | 1,570-1,574 | 1,571½-1,572½ | 1 lire pm-1 dis | — | ½-3½ lire dis | -0.54 |
| Norwgn. Kr. | 7 | 9.87½-9.93 | 9.87½-9.88½ | par-2 ore dis | -1.2 | ½-2½ ore dis | -0.61 |
| French Fr. | 9½ | 8.38½-8.41½ | 8.39½-8.38½ | 2-1c pm | 2.14 | 4½-3½c pm | 1.88 |
| Swedish Kr. | 7 | 8.44-8.48 | 8.45½-8.46½ | 2 ore pm-par | 1.42 | 3½-2½ ore pm | 2.25 |
| Yen | 3½ | 400-410 | 402½-404½ | n.a. | — | n.a. | — |
| Austria Sch. | 5½ | 27.30-27.50 | 27.36-27.46 | 16-6 gro pm | 5.89 | 42-32 gro pm | 5.40 |
| Swiss Fr. | 1 | 3.45-3.48 | 3.45½-3.46½ | 3½-2½c pm | 10.41 | 9½-8½c pm | 10.41 |

Belgian rate is for convertible francs. Financial francs 59.75-59.85.

Six-month forward dollar 3.46-3.40c pm. 12-month 6.20-6.10c pm.

### OTHER MARKETS

| | £ | $ | | £ Notes Rate |
|---|---|---|---|---|
| Argentina Peso | 1,415-1,419 | 774½-776½ | Austria | 27-28¼ |
| Australia Dollar | 1.6020-1.6182 | 0.8785-0.8865 | Belgium | 59-60½ |
| Finland Markka | 7.82-7.84 | 4.2770-4.2790 | Denmark | 10.23-10.38 |
| Brazil Cruzeiro | 31.72-32.72 | 17.36-17.91 | France | 8.30-8.45 |
| Greece Drachma | 67.191-68.863 | 36.78-37.69 | Germany | 3.70-3.85 |
| Hong Kong Dollar | 8.4900-8.5125 | 4.6600-4.6620 | Italy | 1530-1590 |
| Iran Rial | 125-131 | 68¼-71¼ | Japan | 400-410 |
| Kuwait Dinar (KD) | 0.499-0.509 | 0.2734-0.2790 | Netherlands | 4.00-4.15 |
| Luxembourg Franc | 59.60-59.70 | 32.65-32.67 | Norway | 9.80-10.00 |
| Malaysia Dollar | 4.5530-4.5655 | 2.3880-2.3900 | Portugal | 77-85 |
| New Zealand Dollar | 1.7901-1.8082 | 0.9818-0.9906 | Spain | 143-146 |
| Saudi Arabia Riyal | 6.24-6.34 | 3.41-3.47 | Switzerland | 3.40-3.55 |
| Singapore Dollar | 4.2420-4.2546 | 2.3285-2.3295 | United States | 1.82-1.84 |
| South African Rand | 1.5743-1.5997 | 0.8618-0.8757 | Yugoslavia | 34-37 |

Rate given for Argentina is free rate.

### LONDON MONEY RATES

| June 9 1978 | Sterling Certificate of deposit | Interbank | Local Authority deposits | Local Auth. negotiable bonds | Finance House Deposits | Company Deposit | Discount market deposit | Treasury Bills ⊕ | Eligible Bank Bills ⊕ | Fine Trade Bills ⊕ |
|---|---|---|---|---|---|---|---|---|---|---|
| Overnight | — | 3-15 | — | — | — | 9¾ | 5-10 | — | — | — |
| 2 days notice | — | — | 9¾-10¼ | — | — | — | — | — | — | — |
| 7 days or | — | — | — | — | — | — | — | — | — | — |
| 7 days notice | — | 10½-11¼ | 9¾-10 | — | 10½-11 | — | 9½-9⅞ | — | — | — |
| One month | 10⅛-10 | 11¼-11½ | 9⅞-10 | 9¾-10¼ | 10½-11 | — | 9½ | [illegible] | 10⅛-10¼ | 10¾ |
| Two months | 10⅛-10⅛ | 10⅞-10½ | — | 9⅞-10¼ | 10⅝-10¾ | — | 9⅝ | 9⅜-9½ | 10-10⅛ | 10½ |
| Three months | [illegible] | 10-10⅛ | 9⅞-10⅛ | 9⅝-10⅛ | 10⅝ | — | 9⅝ | 9⅝-9⅞ | 9⅞ | 10½ |
| Six months | 9⅞-[illegible] | 10-10⅛ | 9⅞-10¼ | 9½-10 | 10⅝ | — | — | — | 9⅞-9⅞ | 10¼ |
| Nine months | 10-9⅝ | 10-10⅛ | — | 9⅝-10⅛ | 10½ | — | — | — | — | — |
| One year | 10-9⅝ | 10-10¼ | 10⅛-10½ | 9⅝-10 | 10½ | — | — | — | — | — |
| Two years | — | — | 10⅞-11⅛ | — | — | — | — | — | — | — |

Local authorities and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rate nominally three years 11¾-12 per cent: four years 12¼-12½ per cent: five years 12¼-12½ per cent. ⊕ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 9⁹⁄₁₆-9¹¹⁄₁₆ per cent: four-month trade bills 10½ per cent.

Approximate selling rates for one-month Treasury bills 9⁷⁄₃₂-9½ per cent: two-month 9½-9⁵⁄₁₆ per cent: and three-month 9⁷⁄₁₆-9¹³⁄₃₂ per cent. Approximate selling rate for one-month bank bills 9⁷⁄₁₆-9½ per cent: and two-month 9½-9¹⁵⁄₁₆ per cent: and three-month 9½-9⁹⁄₁₆ per cent. One-month trade bills 10½ per cent: two-month 10½ per cent: and also three-month 10½ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 9½ per cent from June 1, 1978. Clearing Bank Deposit Rates (for small sums at seven days' notice) 6½-7 per cent. Clearing Bank Base Rates for lending 10 per cent. Treasury Bills: Average tender rates of discount 9.4253 per cent.

### GOLD

| | June 9 | June 8 |
|---|---|---|
| Gold Bullion (a fine ounce) | | |
| Close | $181¾-182 | $182¾-183 |
| Opening | $181½-182½ | $183-183½ |
| Morning fixing | $181.00 (£99.156) | $183.40 (£100.532) |
| Afternoon fixing | $181.30 (£99.272) | $182.60 (£100.000) |
| Gold Coins domestically | | |
| Krugerrand | $186½-188½ (£102½-103½) | $188½-190½ (£103½-104½) |
| New Sovereigns | $55½-56½ (£29½-30½) | $55½-57½ (£29½-30½) |
| Old Sovereigns | $55½-57½ (£30½-31½) | $56½-57½ (£30½-31½) |
| Gold Coins internationally | | |
| Krugerrand | $186½-188½ (£102½-103½) | $187½-189½ (£103-104) |
| New Sovereigns | $52½-54½ (£28½-29½) | $52½-54½ (£28½-29½) |
| Old Sovereigns | $55½-57½ (£30½-31½) | $55½-57½ (£30½-31½) |
| $20 Eagles | $276-278 | $275½-278½ |
| $10 Eagles | $152½-157½ | $151-154 |
| $5 Eagles | $97½-102½ | $97½-100½ |

### EURO-CURRENCY INTEREST RATES*

| June 9 | Sterling | Canadian Dollar | U.S. Dollar | Dutch Guilder | Swiss Franc | W. German Mark | French Franc | Italian Lira | Asian $ | Japanese Yen |
|---|---|---|---|---|---|---|---|---|---|---|
| Short term | 9-9½ | 7-8 | 7½-7¾ | 4⅛-4⅜ | ⅝-¾ | 3⅛-3⅜ | 9½-9¾ | 9-10 | — | [illegible] |
| 7 days notice | 10-10¼ | 7-8 | 7½-7¾ | 4⅛-4⅜ | ¾-⅞ | 3⅛-3⅜ | 9½-9¾ | 9½-11½ | 7⅝-7¾ | [illegible] |
| Month | 11½-12 | 7⅝-8 | 7⅝-7⅞ | 4⅜-4⅝ | 1⅛-1¼ | 3⅜-3½ | 9½-9¾ | 11½-12½ | 7⅞-8 | [illegible] |
| Three months | 11⅝-12⅛ | 8⅛-8½ | 8-8¼ | 4½-4¾ | 1⅜-1½ | 3⅜-3½ | 9¾-10 | 12¼-13¼ | 8⅛-8¼ | [illegible] |
| Six months | 12¼-12¾ | 8⅜-8¾ | 8½-8¾ | 5-5¼ | 1⅝-1¾ | 3½-3⅝ | 10¼-10½ | 13½-14½ | 8½-8⅝ | 3½-3¾ |
| One year | 12½-13 | 8⅝-8⅞ | 8⅝-8⅞ | 5⅜-5⅝ | 1⅞-2⅛ | 3⅞-3⅞ | 10⅞-11⅛ | 14½-15½ | 8¾-8⅞ | 4-4¼ |

The following nominal rates were quoted for London dollar certificates of deposit: One month 7.75-7.85 per cent: three months 7.95-8.05 per cent: six months 8.30-8.40 per cent: one year 8.60-8.70 per cent.

Long-term Eurodollar deposits, two years 8¹³⁄₁₆-8¹⁵⁄₁₆ per cent: three years 8¾-9 per cent: four years 8¹⁵⁄₁₆-9¹⁄₁₆ per cent: five years 9-9¼ per cent. * Rates are nominal closing rates.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

Asian rates are closing rates in Singapore.

## U.K. CONVERTIBLE STOCKS 9/6/78

Statistics provided by data STREAM International

| Name and description | Size (£m.) | Current price | Terms* | Conversion dates | Flat yield | Red. yield | Premium† Current | Premium† Range‡ | Income Equ.§ | Income Conv.¶ | Income Diff.♡ | Cheap(+) Dear(−)◊ Current |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Alcan Aluminium 9pc Cv. 89-94 | 9.05 | 136.00 | 100.0 | 76-80 | 5.9 | 3.3 | | | | | | |
| Associated Paper 9½pc Cv. 85/90 | 1.40 | 114.00 | 200.0 | 76-79 | 8.6 | 7.6 | −3.4 | −10 to 1 | 5.0 | 9.1 | 3.5 | + 6.9 |
| Bank of Ireland 10pc Cv. 91-96 | 8.22 | 172.00 | 47.6 | 77-79 | 5.9 | 3.3 | −3.2 | − 8 to −2 | 10.8 | 9.4 | −0.8 | + 2.4 |
| British Land 12pc Cv. 2002 | 7.71 | 136.00 | 333.3 | 80-97 | 8.9 | 8.6 | 27.5 | 14 to 30 | 0.0 | 92.1 | 86.3 | +58.8 |
| English Property 6½pc Cv. 98-03 | 8.84 | 99.00 | 234.0 | 76-79 | 6.6 | 6.6 | −8.0 | −11 to 11 | 8.2 | 3.1 | −4.8 | + 3.3 |
| English Property 12pc Cv. 00-05 | 15.31 | 89.00 | 150.0 | 76-84 | 13.7 | 13.7 | 29.0 | 24 to 102 | 30.3 | 48.3 | 26.1 | − 2.9 |
| Hanson Trust 6½pc Cv. 88-93 | 4.51 | 83.00 | 37.1 | 76-80 | 8.0 | 8.7 | 6.8 | 1 to 10 | 10.8 | 8.9 | −2.4 | − 9.2 |
| Hewden-Stuart 7pc Cv. 1995 | 0.07 | 270.00 | 470.4 | 75-79 | 2.6 | | −16.8 | −17 to −7 | 9.1 | 6.7 | −0.7 | +16.1 |
| Pentos 15pc Cv. 1985 | 1.06 | 150.00 | 166.7 | 76-82 | 10.5 | 7.4 | −3.2 | − 5 to 36 | 42.3 | 49.3 | 4.5 | + 7.7 |
| Slough Estates 10pc Cv. 87-90 | 5.50 | 163.00 | 125.0 | 78-87 | 6.3 | 2.6 | 10.5 | 7 to 14 | 36.3 | 57.6 | 14.4 | + 3.9 |
| Tozer, Kemsley 8pc Cv. 1981 | 7.33 | 94.00 | 153.9 | 74-79 | 8.6 | 10.4 | 3.6 | 4 to 35 | 7.2 | 7.4 | 0.3 | − 3.3 |
| Wilkinson Match 10pc Cv. 83-98 | 11.10 | 90.00 | 40.0 | 76-83 | 11.0 | 11.2 | 33.9 | 29 to 40 | 27.4 | 36.9 | 14.0 | −19.9 |

* Number of Ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of Ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on Ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent. per annum and is present valued at 12 per cent. per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent. per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent. of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent. of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

## LOCAL AUTHORITY BOND TABLE

| Authority (telephone number in parentheses) | Annual gross interest | Interest payable | Minimum sum | Life of bond |
|---|---|---|---|---|
| | % | | £ | Year |
| Barking (01-592 4500) | 10¾ | ½-year | 1,000 | 4-5 |
| Barking (01-592 4500) | 11¼ | ½-year | 5,000 | 4-6 |
| Barnsley Metro. (0226 203232) | 11 | ½-year | 250 | 5-7 |
| Knowsley (051 5486555) | 11¼ | ½-year | 1,000 | 5-7 |
| Poole (02013 5151) | 10¾ | ½-year | 500 | 5 |
| Poole (02013 5151) | 11¼ | ½-year | 500 | 6-7 |
| Redbridge (01-478 3020) | 11 | ½-year | 200 | 5-7 |
| Sefton Met. BC. (051 922 4040) | 11¼ | ½-year | 2,000 | 5-7 |
| Thurrock (0375 5122) | 11 | ½-year | 300 | 4 |
| Thurrock (0375 5122) | 11¼ | ½-year | 300 | 5-8 |
| Wrekin (0952 505051) | 11 | yearly | 1,000 | 5 |
| Wrekin (0952 505051) | 10½ | ½-year | 1,000 | 3 |

## BUILDING SOCIETY RATES

| | Deposit Rate | Share Accnts. | Sub'pn Shares | *Term Shares |
|---|---|---|---|---|
| Abbey National | 5.25% | 5.50% | 6.75% | 6.50% 3 yrs., 6.00% 2 yrs. |
| Alliance | 5.25% | 5.50% | 6.75% | 6.50% 3-4 yrs., 6.00% 2 yrs., 5.75% 1 yr. |
| Anglia | 5.25% | 5.50% | 6.75% | 6.50% 3 yrs., 6.00% 2 yrs., 5.75% 1 yr. |
| Birmingham | 5.25% | 5.50% | 6.75% | 6.50% 3 yrs., 6.00% 2 yrs., 5.75% 1 yr. |
| Bradford and Bingley | 5.25% | 5.50% | 6.75% | 6.50% 3 yrs., 6.00% 2 yrs., min. £500 |
| Bristol and West | 5.25% | 5.50% | 6.75% | — |
| Bristol Economic | 5.25% | 5.50% | 6.75% | 5.75% 3 months' notice |
| Britannia | 5.25% | 5.50% | 6.75% | 6.50% 3 yrs., 6.00% 2 yrs., min. £500 |
| Burnley | 5.75% | 6.30% | 7.30% | 6.50% 3 yrs., 6.00% 2 yrs. |
| Cardiff | 5.00% | ●5.60% | 6.75% | — ● 5.80% over £3,000 |
| Catholic | 5.25% | 5.50% | 6.75% | 6.25% 6 months' notice, minimum £500 |
| Chelsea | 5.25% | 5.30% | 6.75% | 6.50% 3 yrs., 6.00% 2 yrs. (£500-£15,000) |
| Cheltenham and Gloucester | 5.25% | 5.80% | 7.30% | 7.05% 3 yrs., over £5,000 |
| Citizens Regency | 5.50% | 5.80% | 6.75% | 6.72% 3 yrs., minimum £500 |
| City of London | 5.25% | 5.50% | 6.75% | 6.50% 3 yrs., 6% 1yr. min. 3 mths. notice |
| Coventry Economic | 5.25% | 5.50% | 7.50% | 6.75% 3 yrs. |
| Coventry Provident | 5.25% | 5.50% | 6.75% | — Up to 6% 3 months' notice |
| Derbyshire | 5.25% | 5.30% | 6.75% | 6.50% 3 yrs., 6% 2 yrs., min. £500-£15,000 |
| Gateway | 5.25% | 5.75% | 6.00% | 6.45% 3 mths.' notice, minimum £1,000 |
| Guardian | 5.25% | 5.50% | 6.75% | 6.50% 3 yrs., 6.00% 2 yrs. |
| Halifax | 5.25% | 5.50% | 6.75% | 6.50% 3 yrs., 6.00% 1½ yrs., £250-£15,000 |
| Hastings and Thanet | 5.25% | 5.50% | 6.75% | 6.30% 3 yrs., 6.00% 3 months' notice |
| Heart of England | 5.25% | 5.75% | 7.25% | 6.75% 3 yrs., 6.50% 2 yrs., 6.25% 1 yr. |
| Hearts of Oak & Enfield | 5.50% | 6.00% | — | 6.50% 6 months' notice, minimum £2,000 |
| Hendon | 3.25% | 5.50% | 6.75% | 6.50% 3 yrs., 6.00% 2 yrs., £100-£15,000 |
| Huddersfield & Bradford | 5.35% | 5.60% | 7.36% | 6.35% 2 yrs. |
| Leamington Spa | 5.25% | 5.50% | 6.75% | 6.50% 3 yrs., 6.00% 2 yrs., min. £1,000 |
| Leeds Permanent | 5.25% | 5.50% | 6.75% | 6.50% 3 yrs., 6.00% 2 yrs., 5.75% 6 mths. |
| Leicester | 5.25% | 5.30% | 6.95% | 6.60% 3 yrs., 6.10% 2 yrs., min. £1,000 |
| Liverpool | 5.25% | 5.75% | 7.00% | — |
| London Goldhawk | 5.35% | 5.60% | 6.75% | 6.35% 2 yrs., min. £2,000 |
| Melton Mowbray | 5.25% | 5.50% | 6.75% | 6.50% 3 yrs., 6.00% 2 yrs., min. £250 |
| Midshires | 5.20% | 6.20% | — | — |
| Mornington | 5.50% | 3.80% | 6.80% | 6.25% 3 months |
| National Counties | 5.25% | 5.50% | 6.75% | 6.50% 3-4 yrs., min. £500, 6.00% 2 yrs. |
| Nationwide | 5.00% | 5.50% | 6.80% | 6.80% 3 yrs., 6.50% 2 yrs. |
| Newcastle Permanent | 6.50% | 6.75% | — | — |
| New Cross | 5.25% | 5.50% | 6.75% | 6.50% 3 yrs., 6.00% 2 yrs., min. £100 |
| Northern Rock | 5.25% | 5.50% | 7.00% | 6.25% 2 yrs., minimum £500 |
| Norwich | 5.25% | 5.50% | 6.75% | 6.50% 3 yrs., 6.00% 2 yrs., min. £500 |
| Paisley | 5.50% | 6.00% | — | — |
| Peckham Mutual | 5.25% | 5.50% | 6.75% | 6.50% 3 yrs., 6.00% 2 yrs., 5.75% 3 mths. |
| Portman | 5.25% | 5.50% | 6.75% | 6.00% 2 yrs., minimum £500 |
| Principality Buildg. Society | 5.40% | 5.65% | 6.75% | 6.65% 3yrs., 6.4% 2yrs., 6.15% 3mths.not. |
| Progressive | ■5.25% | 6.00% | 7.25% | 6.40% 3 mths. not. ■4.50% to limitd. cos. |
| Property Owners | 5.25% | 5.50% | 6.75% | 6.50% 3-4 yrs., 6.00% 2 yrs. |
| Provincial | 5.25% | 5.50% | 6.75% | 6.50% 3 yrs., 6.00% 2 yrs. |
| Skipton | 5.55% | •5.80% | 7.05% | 6.85% 3 yrs., 6.55% 2 yrs., 6.25% 1 yr. |
| Sussex Mutual | 5.25% | 5.50% | ♣10.00% | 6.50% 3 yrs., 6.00% 2 yrs. ♣ Max. £250 |
| Town and Country | 5.25% | 5.50% | 6.75% | 6.00% 2 yrs., 6.50% 3 yrs. |
| Woolwich | | | | |

• Rates normally variable in line with changes in ordinary share rates.

## STOCK EXCHANGE REPORT

# Equities overshadowed by renewed strength in Gilts

## Share index down 2.4 at 466.9—Reaction in golds

**Account Dealing Dates**
**Option**

| *First Dealings | Declarations | Last Dealings | Account Day |
|---|---|---|---|
| May 30 | Jun. 8 | Jun. 9 | Jun. 20 |
| Jun. 12 | Jun. 22 | Jun. 23 | July 4 |
| Jun. 26 | July 6 | July 7 | July 18 |

*"New time" dealings may take place from 9.30 a.m. two business days earlier.*

Stock markets were featured *yesterday by fresh strength in* Gilt-edged securities in continuing response to the latest monetary measures. Equities, however, lacked support and drifted a little lower.

Trading in the Funds was again active and the long tap, **Exchequer** 12 per cent 1998, was quickly exhausted at 94¾ and the price subsequently moved up to close with a rise of a point at 95¼. Other closing gains in the later maturities extended to 1¼, but *prices were moving higher in the* late dealings by amounts ranging from ½ to ¾ following the announcement *of a new long tap,* £1,000m of **Exchequer** 12 per cent, 2013-17, at £96, £15 paid, the terms being favourably received. Among the shorts, there was another substantial demand for the tap, **Exchequer** 9¼ per cent 1982 A, up ⅛ at 92¼, a considerable amount of the business emanating from holders switching from the variable stocks. At *the close, supplies of the tap were* thought to be almost exhausted. The fresh all-round advance was *reflected* in the *Government* Securities index which put on 0.58 more to 70.26 for a rise of 0.90 on the week.

The Industrial leaders made a reasonably steady start, but with interest centred chiefly on the Gilt-edged sector and sentiment *being dampened by fears about* the impact on company liquidity of the higher national insurance *surcharge, prices drifted a few* pence lower. The bulk of the day's reaction took place during the morning, as *illustrated by the* FT 30-share index which recorded a loss of 2.5 at 1 pm and barely stirred from that level to close 2.4 down on the day 466.9.

*The trend in secondary issues* was also to lower levels—falls were in a majority over rises by *about 7-4 in FT-quoted Industrials.* Bid situations and company *trading statements provided* the occasional firm spots. Official markings of 4,652 compared with 5,203 on Thursday and 4,998 a week ago.

Yesterday's total of 480 con*tracts concluded an un-inspiring* week in the Traded Option market. Most of the small interest was again centred on **Grand Metropolitan** following Thursday's results and a further 158 contracts were done. **ICI** followed with 133 deals with the new July *420 again popular with 50.*

After a quiet morning session, the investment currency premium started to move higher late on Hong Kong and Wall Street advices to close 1¼ points up on the day at 113 per cent.

Renewed interest developed for **Eurotherm** which touched 156p before settling at 154p, a penny better on *balance.*

### Discounts better

The base lending rate increases made by the major clearing Banks *had been expected following the* previous day's 1 per cent hike in the minimum lending rate and quotations *initially* held their overnight levels. However, prices drifted gently lower on lack of support as the day progressed and, apart from **Barclays** which closed unaltered at 325p, closed with fresh falls of 5. **Discounts** took a distinct turn for the better in sympathy with the renewed confidence in gilt-edged securities. **Allen Harvey and Ross** advanced *15 to 315p,* while **Cater Ryder** put on 13 to 303p and **Gillett Bros.** and **Union** both closed 10 higher at *210p and 310 respectively.* **Clive** hardened 3 to 81p. Elsewhere, **Standard Chartered** were marked up 5 to 410p *following news of the* group's major acquisition of the Californian banking complex—Union Bancorp Inc.—for an estimated £205m. **Guinness Peat** rose 4 to 244p among Merchant Banks where **Hill Samuel** closed unaltered at 87p ahead of Monday's *preliminary* results.

Quietly dull conditions prevailed in Insurances. **Sun Alliance** *receded 8 to 508p* and **Royals** 4 to 353p.

Breweries drifted gently lower in light trading. *Guinness fell 4* to 169p, while **Allied**, 85p, and **Whitbread "A,"** 93p, shed a penny apiece. **Matthew Brown** were also dull at 112p, down 6. **Distilleries** *were also easier.*

Building descriptions were depressed by lack of buyers and a *few small sellers. Falls were* generally restricted to a few pence with notable exceptions in **Tilbury Contracting**, 8 easier at 278p, and **J. Smart**, down 4 more at 40p *after the previous week's* sharply reduced profits and profits forecast. **Streeters of Godalming** *cheapened a penny* to 28p on the lower figures, while housebuilders were particularly dull following the increase in mortgage rate with **Barrat Developments** 3 down at 108p and **Orme Developments** 1½ lower at 43½p. Elsewhere, selected buying interest lifted **Johnson-Richards Tiles** 4 higher to 92p after recent weakness on the withdrawal of Henworth Ceramic's offer. **French Kier**, a penny better at 31p, and **Thomas Warrington**, *3 to the good at 58p,* were other firm spots.

After a meagre trade, **ICI**, 387p, and **Fisons**, 330p, both closed without alteration, but **Albright and Wilson**, at 150p, recovered 4 of recent losses which had been brought about by fears that *Tenneco's 165p cash offer might* be referred to the Monopolies Commission.

### Philips' Lamp react

*Following recent strength in* sympathy with the improvement of the dollar premium, **Philips' Lamp** eased 25 to 975p. Small offerings in a thin market left *Pye Holdings 6 lower at 98p,* but **Forward Technology** were wanted and closed 4 higher at 126p.

*Stores lost ground in quiet* trading. **Allied Retailers**, at 261p, gave up 2p of the previous day's *speculative gain of 8,* while small offerings clipped 3 from **British Home Stores** at 187p and 7 from **Forminster** at 140p. **Martin the Newsagent**, still reflecting recent trading news, shaded 2 to 242p. **Maple**, however, resisted the trend by hardening 1½ to 19p.

The announcement that the keenly-awaited preliminary figures will be published on June 23 had *little impact on* **John Brown** until the later stages when the shares picked up from 358p on renewed investment and speculative interest to close the day 4 higher on balance at 366p. Other Engineering leaders were mixed *with* **Hawker** *closing 2 dearer* at 222p but **Tubes** that much easier at 370p. Elsewhere, **T. W. Ward** rose 5 to a *1978 peak of 78p* following the good first-half performance and accompanying cheerful remarks about second-half prospects. **Thomas Locker** *hardened a penny to 19p following* the results and **600 Group**, at 83½p, retrieved all and a frac*tion more of the previous day's* fall of 3 after comment on the annual figures. **Braswav** put on 3 to 35p but **Adwest** dipped 8 to 230p and **Aurora** shed 4 to 91p.

**Tesco**, which *reported preliminary* figures on June 22 last year, revived with a rise of 3 to 43p *in active trading stimulated by* vague talk of a couple of brokers' circulars. **Associated British Foods** hardened a penny to 70p in front of Monday's preliminary results, while investment demand lifted **Rowntree Mackintosh** 4 to 412p and **J. Lyons** 5 to 104p. *By way of contrast,* **Bishop's Stores** suffered a sharp reversal on the profits setback, the Ordinary and A losing 25 apiece at 155p and 125p respectively. **Highgate and Job** eased 3½ to 55p *on small* selling in front of next week's results, while further consideration of the *preliminary figures clipped 2 more* from **Cullen's Stores A** at 106p.

**Grand Metropolitan** remained a *dull market, finishing 3½ off* at 108½p, after 107½p, following Press comment on the interim statement. *Other Hotels and Caterers* eased in sympathy.

### Wood and Sons advance

Completely overshadowed by the hectic proceedings in the gilt-edged market, miscellaneous Industrial leaders traded quietly and closed the week with modest losses. **Beecham** relinquished 2 *to 643p as did* **Glaxo** *to 573p.* A firm market of late following publicity given to brokers' favourable circulars, **Reed International** closed a similar amount cheaper at 128p. Elsewhere, **Wood and Sons** jumped 10 to 50p in response to the 47½p per share conditional offer from *Newman Industries,* while **De La Rue** hardened a further 5 to 355p following investment comment and **Biddle Holdings** gained 3 to 85p for a *similar reason. Persistent specu*lative buying in a thin market prompted a fresh improvement of 2 to 42p in **Grovebell** taking its advance on the week to 14, while *rises of around 4 were seen in* **Gomme**, 72p, and **Hallam Sleigh**, 32p. Further consideration of the *proposed dividend-boosting rights* issues helped **Securicor** to add 5 more to 128p and **Security Services** to put on a further 4 to 128p. **New Equipment** came in for sup*port at 15p, up 3, and* **Zetters** revived with a gain of 2 to 59p, after 60p. **UKO International**, however, lost 4 more to 148p after comment on the disappointing results, while profit-taking after the preliminary figures left **Leigh Interests** 6 off at 170p.

**Airflow Streamlines** featured Motors and Distributors with a jump of 17 to a 1978 peak of 105p in belated response to the preliminary figures, and scrip issue proposal and the property revaluation surplus. **Penine Motor** were active and 3 better *at a 1978 peak of 11p on per*sistent country demand, while buyers were also about for *Reliant, a penny up at 11p, and* **Supra**, 2 harder at 56p. **H. Woodward** gained 8 to 32p following Press comment. ***Heron Motor*** picked up a penny more at 136p for a rise on the week of 22.

Persistent demand lifted **Associated Book Publishers** 5 to 240p *for a gain of 48p on the* week. **Saatchi** added 8 to 165p awaiting next week's interim statement. ***Jefferson Smurfitt*** firmed 2 to 194p following the director's confident remarks about prospects and ***Geers Gross*** finished a penny higher at 44p on the improved results and the chairman's optimism.

Properties were dull on the *higher credit terms.* **English Property** cheapened 2½ to 43½p, while **Land Securities**, 4 off at 205p, a loss of 10 since Tuesday's results. **Hammerson A** eased 7 to 570p. **Property and Reversionary A** and **Great Portland** closed marginally lower at 292p and 298p respectively, both ahead of results due early next week. **Carding**, 20p, were unmoved by the results and ***Churchbury Estates***, 255p, closed unaltered after early modest support to 257p.

### Leading Oils dull

***British Petroleum*** ended the account on a dull note easing 12 to 838p on adverse Press comment. **Shell** receded 8 to 550p on lack of interest and **Burmah** shed 4 to 66p, after 65p, following recent firmness awaiting yesterday's AGM. **Ultramar**, 266p, and **Lasmo**, 148p, eased *8 and 6 respectively,* but **Tricentrol** firmed 8 to 182p after a Press mention. Further profit-*taking lowered Siebens U.K. 10 to* 348p, a loss of 32 on the week and one of 89 on the Account, but **Attock** responded to renewed speculative demand and firmed 8 to 82p for a gain on the week of 14.

**Ocean Wilsons** came on offer in Overseas Traders and fell 6 to 95p in front of Monday's preliminary figures. **Harrisons and Crosfield**, a firm market of late on the preliminary results, reacted 12 to *475p.* ***S. and W. Berisford*** hardened 2 more to 132p, while **Australian Agricultural** moved up 4 to 95p and **James Finlay** 6 to 359p, the last-named for a rise on the week of 13 following the preliminary figures and capital proposals.

*After late overnight strength,* **Investment Trust Corporation** attracted fresh support and closed *6 higher at a 1978 peak of 253p* on continuing speculation about the outcome of the recent bid approach. In Financials, **Robert Kitchen Taylor** reacted 4 to 76p *following the recent advance on* the interim figures. Recent speculative favourites to lose ground included **London European**, 2 off at 27p, and **Dawnay Day**, 2½ cheaper at 40p.

**Furness Withy** continued a dull market in Shippings, closing 3 *easier at 247p, after 246p,* on end-account profit-taking. **British and Commonwealth**, however, im*proved 5 to 299p in anticipation* of the results due soon. Following the recent sharp setback on *the chairman's statement at the* annual meeting, **P & O Deferred** touched 92p before closing a penny better on balance at 94p.

Textiles had an easier tendency with **Caird (Dundee)** losing a penny to 15p and **Cawdaw** 2 to 29p.

Following the previous day's decline of 22 on the disappointing annual results, **Guthrie** softened a penny further to 294p. ***Bertam***, however, rose 3 to 93p.

### Golds turn easier

The combination of a lower *bullion price and a disappointing* batch of dividends from the Johannesburg Consolidated group of producers caused a downturn in South African Golds for the first time in three days. Share prices drifted from the outset with interest at a low level.

The bullion price was finally $1 easier at $181.625 per ounce, while the Gold Mines index gave up 3.1 to 157.9, although it was still around 3.2 higher over the week reflecting general satisfaction with the outcome of Wednesday's International Monetary *Fund gold auction and the divi*dend declarations of the Anglo-Vaal and General Mining groups.

The considerably lower-than-expected 200 cents interim from **Randfontein** saw the shares drop a point to £34¼, while disappoint*ing declarations from* **Elsburg** and ***Western Areas*** left both 8 off at 106p and 167p respectively.

On the other hand, **Buffels**, ¼ up at a *1978 high of £10,* continued to draw strength from the increased final dividend. Although ¼ off yesterday at £14 **Hartebeest** were still £1¼ better over the week *also following the sharply in*creased final.

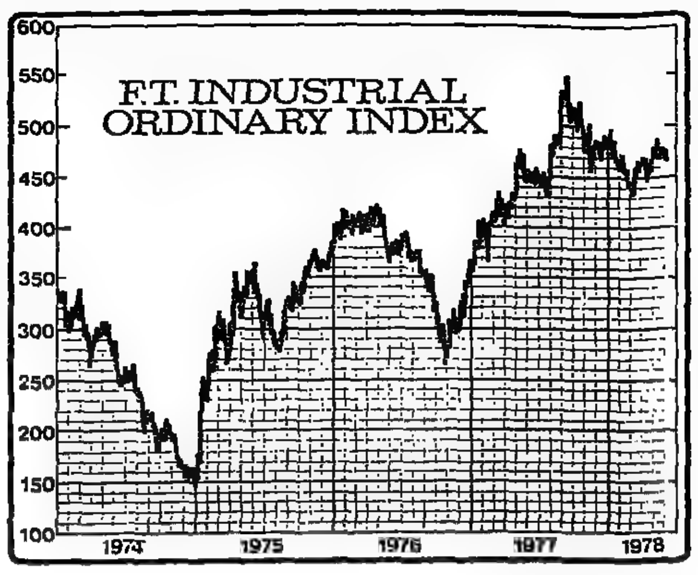
*Financials were subdued.* Profit-taking left **Anglo American** 2 cheaper at 320p but still 22 higher over the week following the good 15-months' results announced last Monday.

**Charter** *also attracted a good* demand throughout the week following its 1977 figures; the shares, *although unaltered at 144p, closed* 8 better on the week.

Platinums came in for profit-taking after moving ahead strongly on Thursday following the £20 rise in Rustenburg's producer price to £340. **Rustenburg** themselves gave up 2 of Thurs*day's rise of 8 to close at 84p,* while **Bishopsgate** fell 4 to 83p. **Western Mining** were a strong market throughout the week on consideration of the further rich copper values encountered at the copper-zinc-silver prospect near Benambra in Victoria; the shares touched a new 1978 high of 151p yesterday *before easing fractionally* to close 7 firmer on balance at 148p.

Other Australians also gained ground after a generally sluggish week. **Northern Mining** were finally another 2 better at 102p, while **MIM Holdings** put on 3 to 210p and **Metals Exploration** 2 to 32p.

Elsewhere, **Musto Exploration** were suspended at 160p, up 15 on the day, pending a statement from the company.




## FINANCIAL TIMES STOCK INDICES

| — | June 9 | June 8 | June 7 | June 6 | June 5 | June 2 | A year ago |
|---|---|---|---|---|---|---|---|
| Government Secs | 70.26 | 69.68 | 69.20 | 68.83 | 68.79 | 69.36 | 68.81 |
| Fixed Interest | 71.70 | 71.19 | 70.98 | 70.73 | 70.82 | 71.35 | 68.76 |
| Industrial Ordinary | 466.9 | 469.3 | 474.9 | 477.7 | 474.5 | 475.5 | 449.4 |
| Gold Mines | 157.9 | 161.0 | 158.5 | 155.9 | 154.0 | 152.7 | 112.5 |
| Ord. Div. Yield | 5.66 | 5.64 | 5.56 | 5.55 | 5.58 | 5.55 | 5.19 |
| Earnings Y'ld % (full)(*) | 16.51 | 16.38 | 16.22 | 16.13 | 16.22 | 16.17 | 15.90 |
| P/E Ratio (net)(*†) | 8.10 | 8.16 | 8.24 | 8.29 | 8.24 | 8.27 | 9.12 |
| Dealings marked | 4,652 | 5,203 | 4,532 | 4,644 | 4,644 | 4,998 | 4,830 |
| Equity turnover £m | — | 78.84 | 72.67 | 66.73 | 56.56 | 67.96 | 73.64 |
| Equity bargains total | — | 17,861 | 15,016 | 15,076 | 14,322 | 12,595 | 16,518 |

10 am 469.5. 11 am 469.3. Noon 467.2. 1 pm 466.8.
2 pm 466.7. 3 pm 466.7.
*Latest index 01-246 8026.*
* Based on 52 per cent corporation tax. † Nil=7.95.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

## HIGHS AND LOWS

| — | 1978 High | 1978 Low | Since Compilation High | Since Compilation Low |
|---|---|---|---|---|
| Govt. Secs. | 78.58 (3/1) | 68.79 (5/6) | 127.4 (9/1/35) | 49.18 (3/1/75) |
| Fixed Int. | 81.27 (9/1) | 70.73 (6/6) | 150.4 (28/11/47) | 50.53 (3/1/75) |
| Ind. Ord. | 497.3 (5/1) | 433.4 (2/3) | 549.2 (14/9/77) | 49.4 (26/6/40) |
| Gold Mines | 168.6 (8/5) | 130.3 (6/3) | 442.3 (22/5/75) | 43.5 (26/10/71) |

## S.E. ACTIVITY

| | June 9 | June 8 |
|---|---|---|
| —Daily | | |
| Gilt-Edged | 159.6 | 172.9 |
| Industries | 159.1 | 181.0 |
| Speculative | 48.4 | 53.4 |
| Totals | 105.9 | 118.4 |
| 5-day Av'rage | | |
| Gilt-Edged | 156.7 | 160.5 |
| Industrials | 154.4 | 166.7 |
| Speculative | 40.4 | 40.8 |
| Totals | 107.6 | 109.4 |

## NEW HIGHS AND LOWS FOR 1978

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1978.

### NEW HIGHS (104)

FOREIGN BONDS (1)
AMERICANS (7)
CANADIANS (4)
BANKS (5)
BUILDINGS (2)
CHEMICALS (2)
DRAPERY & STORES (1)
ELECTRICALS (3)
ENGINEERING (10)
HOTELS (1)
INDUSTRIALS (23)
MOTORS (4)
NEWSPAPERS (2)
PAPER & PRINTING (4)
PROPERTY (3)
SHOES (2)
SOUTH AFRICANS (1)
TEXTILES (1)
TRUSTS (16)
OILS (1)
OVERSEAS TRADERS (1)
RUBBERS (2)
MINES (6)

### NEW LOWS (12)

CINEMAS (1)
Trident TV A
DRAPERY & STORES (1)
Audiotronic
ENGINEERING (1)
Alcan Aluminium
FOODS (3)
Edwards (Louis C.) Tavener Rutledge
Nurdin & Peacock
INDUSTRIALS (1)
Barrow Hepburn
INSURANCE (2)
Sun Alliance Willis Faber
PROPERTY (1)
Bank & Commercial
SHIPPING (1)
Jacobs (J. I.)
OILS (1)
KCA

## OPTIONS

**DEALING DATES**

| First Dealings | Last Dealings | Last Declaration | For Settlement |
|---|---|---|---|
| Jun. 7 | Jun. 20 | Aug. 31 | Sep. 14 |
| Jun. 20 | July 4 | Sep. 14 | Sep. 28 |
| July 14 | July 18 | Sep. 28 | Oct. 12 |

*For rate indications see end of Share Information Service*

Stocks favoured for the call were **Talbex**, **Britannia Arrow**, **Spillers**, **Siebens Oil (UK)**, **Royco**, **Premier Consolidated Oil**, **Burmah Oil**, **C. H. Industrial**, **Manchester Garages**, **Fodens**, **KCA International** and **NatWest Warrants**. A put was done in **Eurotherm**, while doubles were arranged in ***Queen's Moat*** and **Spillers**. A short-dated call was taken out in **Midhurst Whites**.

## RISES AND FALLS

| | Yesterday Up | Yesterday Down | Yesterday Same | On the week Up | On the week Down | On the week Same |
|---|---|---|---|---|---|---|
| British Funds | 79 | 2 | 5 | 260 | 84 | 37 |
| Corporations Dom. and Foreign Bonds | 33 | 3 | 29 | 99 | 46 | 199 |
| Industrials | 253 | 424 | 868 | 1,499 | 1,585 | 4,621 |
| Financial and Prop. | 91 | 115 | 314 | 398 | 465 | 1,580 |
| Oils | 10 | 14 | 10 | 49 | 62 | 59 |
| Plantation | 4 | 3 | 25 | 27 | 23 | 130 |
| Mines | 13 | 59 | 60 | 229 | 196 | 251 |
| Recent Issues | 7 | 3 | 19 | 26 | 31 | 98 |
| Totals | 490 | 616 | 1,326 | 2,794 | 2,452 | 6,945 |

## ACTIVE STOCKS

### YESTERDAY—

| Stock | Denomination | No. of marks | Closing price (p) | Change on day | 1978 high | 1978 low |
|---|---|---|---|---|---|---|
| ICI | £1 | 13 | 387 | — | 396 | 328 |
| Grand Met. | 50p | 12 | 108½ | − 3½ | 117½ | 87 |
| BP | £1 | 10 | 858 | −12 | 892 | 720 |
| Shell Transport | 25p | 10 | 550 | − 8 | 586 | 484 |
| Barclays Bank | £1 | 9 | 325 | — | 358 | 298 |
| Burmah Oil | £1 | 9 | 66 | − 4 | 72 | 42 |
| BATs Defd | 25p | 7 | 284 | + 3 | 296 | 227 |
| Beecham | 25p | 7 | 643 | − 2 | 678 | 583 |
| De Beers Defd. | R0.05 | 7 | 356 | − 2 | 358 | 285 |
| Distillers | 50p | 7 | 178 | — | 187 | 163 |
| Bowater | £1 | 6 | 191 | − 1 | 205 | 163 |
| Commercial Union | 25p | 6 | 145 | − 2 | 159 | 138 |
| EMI | 50p | 6 | 143 | − 2 | 190 | 141 |
| GEC | 25p | 6 | 260 | + 1 | 278 | 233 |
| GUS A | 25p | 6 | 272 | + 2 | 312 | 256 |

*The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e) and reproduced today in Stock Exchange dealings.*

### ON THE WEEK—

| Stock | Denomination | No. of marks | Closing price (p) | Change on week | 1978 high | 1978 low |
|---|---|---|---|---|---|---|
| ICI | £1 | 61 | 387 | − 2 | 396 | 328 |
| Shell Transport | 25p | 56 | 550 | −10 | 586 | 484 |
| BATs Defd. | 25p | 52 | 284 | − 6 | 296 | 227 |
| BP | £1 | 49 | 858 | −10 | 892 | 720 |
| Grand Met. | 50p | 42 | 108½ | − 6½ | 117½ | 87 |
| Barclays Bank | £1 | 41 | 325 | − 3 | 358 | 298 |
| Beecham | 25p | 41 | 643 | −10 | 678 | 583 |
| Western Mining | SA0.50 | 39 | 148 | +24 | 151 | 84 |
| GEC | 25p | 38 | 260 | — | 278 | 233 |
| P & O. Defd. | £1 | 36 | 94 | — | 118 | 91 |
| Lonrho | 25p | 33 | 62 | − 2 | 78 | 60 |
| Commercial Union | 25p | 32 | 145 | − 2 | 159 | 138 |
| GUS A | 25p | 31 | 272 | − 4 | 312 | 256 |
| Albright & Wilson | 25p | 30 | 150 | −12 | 166 | 86 |
| De La Rue | 25p | 30 | 355 | +23 | 355 | 230 |

## BASE LENDING RATES

| | | | |
|---|---|---|---|
| A.B.N. Bank | 9 % | ■ Hill Samuel | §9 % |
| Allied Irish Banks Ltd. | 9 % | C. Hoare & Co. | †9 % |
| American Express Bk. | 9 % | Julian S. Hodge | 10 % |
| Amro Bank | 9 % | Hongkong & Shanghai | 9 % |
| A P Bank Ltd. | 9 % | Industrial Bk. of Scot. | 9 % |
| Henry Ansbacher | 9 % | Keyser Ullmann | 9 % |
| Banco de Bilbao | 9 % | Knowsley & Co. Ltd. | 11½% |
| Bank of Credit & Cmce. | 9 % | Lloyds Bank | 9 % |
| Bank of Cyprus | 9 % | London Mercantile | 9 % |
| Bank of N.S.W. | 9 % | Edward Manson & Co. | 11½% |
| Banque Belge Ltd. | 9 % | Midland Bank | 9 % |
| Banque du Rhone | 9½% | ■ Samuel Montagu | 9 % |
| Barclays Bank | 9 % | ■ Morgan Grenfell | 9 % |
| Barnett Christie Ltd. | 9½% | National Westminster | 9 % |
| Bremar Holdings Ltd. | 10 % | Norwich General Trust | 9 % |
| Brit. Bank of Mid. East | 9 % | P. S. Refson & Co. | 9 % |
| ■ Brown Shipley | 9 % | Rossminster Accept'cs | 9 % |
| Canada Perm't. Trust | 9 % | Royal Bk. Canada Trust | 9 % |
| Capitol C & C Fin. Ltd. | 9 % | Schlesinger Limited | 9 % |
| Cayzer Ltd. | 9½% | E. S. Schwab | 10½% |
| Cedar Holdings | 9 % | Security Trust Co. Ltd. | 10 % |
| ■ Charterhouse Japhet | 9 % | Shenley Trust | 11 % |
| Choulartons | 9 % | Standard Chartered | 9 % |
| C. E. Coates | 9 % | Trade Dev. Bank | 9 % |
| Consolidated Credits | 9 % | Trustee Savings Bank | 10 % |
| Co-operative Bank | *9 % | Twentieth Century Bk. | 10 % |
| Corinthian Securities | 9 % | United Bank of Kuwait | 9 % |
| Credit Lyonnais | 9 % | Whiteaway Laidlaw | 9½% |
| The Cyprus Popular Bk. | 9 % | Williams & Glyn's | 9 % |
| Duncan Lawrie | 9 % | Yorkshire Bank | 9 % |
| Eagil Trust | 9 % | | |
| English Transcont. | 9 % | | |
| First London Secs. | 10 % | | |
| First Nat. Fin. Corpn. | 11 % | | |
| First Nat. Secs. Ltd. | 11 % | | |
| ■ Antony Gibbs | 9 % | | |
| Greyhound Guaranty | 9 % | | |
| Grindlays Bank | ‡9 % | | |
| ■ Guinness Mahon | 9 % | | |
| ■ Hambros Bank | 9 % | | |

■ Members of the Accepting Houses Committee.
* 7-day deposits 6½%, 1-month deposits 6¾%.
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 6¾%, and over £25,000 7¼%.
‡ Call deposits over £1,000 6½%.
§ Demand deposits 6½%.
¶ Rate also applies to Sterling Ind. Securities.

## LONDON TRADED OPTIONS

| Option | Ex'rcise price | July Closing offer | July Vol. | October Closing offer | October Vol. | January Closing offer | January Vol. | Equity close |
|---|---|---|---|---|---|---|---|---|
| BP | 700 | 121 | — | 135 | 5 | 165 | — | 857p |
| BP | 800 | 71 | 2 | 92 | 5 | 117 | 2 | .. |
| BP | 850 | 31 | 5 | 59 | 5 | 86 | — | .. |
| BP | 900 | 11½ | 5 | 29 | 1 | 55 | — | .. |
| [illegible] | | | | | | | | |

## RECENT ISSUES

### EQUITIES

| Issue Price p | Amount Paid up | Latest Renunc. date | 1978 High | 1978 Low | Stock | Closing Price p | + or − | Div. | Times Covered | Gross Yield | P/E Ratio |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 75 | F.P. | — | 98 | 88 | Bramall (C.D.) | 91 | | | | 7.5 | 4.9 |
| 100 | F.P. | 5/7 | 157 | 142 | Eurotherm | 154 | +1 | | 4.6 | 2.6 | 14.7 |

### FIXED INTEREST STOCKS

| Issue Price £ | Amount Paid up | Latest Renunc. date | 1978 High | 1978 Low | Stock | Closing Price £ | + or − |
|---|---|---|---|---|---|---|---|
| [illegible] | | | | | | | |

### "RIGHTS" OFFERS

| Issue Price p | Amount Paid up | Latest Renunc. date | 1978 High | 1978 Low | Stock | Closing Price p | + or − |
|---|---|---|---|---|---|---|---|
| [illegible] | | | | | | | |

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1978. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. || Offered to holders of Ordinary shares as a "rights." ** Issued by way of capitalisation. †† Minimum tender price. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ||| Introduction. ☐ Issued to former Preference holders. ■ Allotment letters (or fully-paid). • Provisional or partly-paid allotment letters. ★ With warrants.

## FT-ACTUARIES SHARE INDICES

**These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries**

Figures in parentheses show number of stocks per section.

| | EQUITY GROUPS and SUB-SECTIONS | Fri. June 9 Index No. | Day's Change % | Est. Earnings Yield % (Max.) (Corp. Tax 52%) | Gross Div. Yield % (ACT at 34%) | Est. P/E Ratio (Net) (Corp. Tax 52%) | Thurs June 8 Index No. | Wed. June 7 Index No. | Tues. June 6 Index No. | Mon. June 5 Index No. | Year ago (approx.) Index No. | 1978 High | 1978 Low | Since Compilation High | Since Compilation Low |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | CAPITAL GOODS (171) | 213.26 | −0.1 | 17.63 | 5.62 | 7.92 | 213.40 | 214.94 | 215.07 | 214.03 | 177.88 | 215.32 (1/6) | 188.95 (2/3) | 228.03 (14/9/77) | 50.71 (13/12/74) |
| 2 | Building Materials (28) | 188.00 | −0.2 | 18.28 | 5.77 | 7.82 | 188.41 | 190.72 | 190.34 | 190.21 | 149.88 | 197.06 (6/1) | 166.30 (3/3) | 233.84 (2/5/72) | 44.27 (11/12/74) |
| 3 | Contracting, Construction (26) | 346.63 | −0.6 | 19.84 | 3.94 | 7.32 | 348.79 | 351.55 | 351.09 | 346.25 | 253.50 | 351.55 (7/6) | 289.35 (6/3) | 389.33 (19/5/72) | 71.48 (2/12/74) |
| 4 | Electricals (15) | 449.94 | +0.1 | 15.26 | 3.95 | 9.27 | 449.36 | 452.07 | 453.39 | 450.02 | 340.93 | 464.54 (6/1) | 404.47 (2/3) | 483.69 (21/10/77) | 84.71 (25/6/62) |
| 5 | Engineering Contractors (14) | 316.04 | −0.1 | 18.64 | 6.46 | 7.27 | 316.24 | 317.87 | 319.04 | 318.10 | 249.04 | 323.76 (18/5) | 270.95 (6/3) | 332.22 (13/9/77) | 64.39 (2/1/75) |
| 6 | Mechanical Engineering (71) | 174.18 | — | 18.39 | 6.10 | 7.41 | 174.12 | 174.94 | 175.12 | 174.58 | 161.71 | 175.12 (6/6) | 149.87 (2/3) | 187.45 (14/9/77) | 45.43 (6/1/75) |
| 8 | Metals and Metal Forming (17) | 162.60 | — | 17.54 | 8.62 | 7.79 | 162.61 | 164.05 | 163.81 | 163.33 | 149.56 | 171.55 (12/5) | 154.22 (27/2) | 177.41 (27/4/72) | 49.65 (6/1/75) |
| | CONSUMER GOODS | | | | | | | | | | | | | | |
| 11 | (DURABLE) (53) | 195.48 | +0.2 | 17.06 | 4.89 | 8.24 | 195.06 | 197.37 | 196.89 | 195.88 | 164.94 | 198.78 (15/5) | 173.63 (3/3) | 227.78 (21/4/72) | 38.39 (6/1/75) |
| 12 | Lt. Electronics, Radio TV (15) | 227.77 | +0.1 | 15.37 | 3.79 | 9.17 | 227.53 | 231.49 | 230.60 | 229.11 | 185.11 | 235.96 (6/1) | 209.01 (3/3) | 261.72 (21/10/77) | 42.85 (13/12/74) |
| 13 | Household Goods (12) | 179.00 | +0.4 | 16.08 | 6.32 | 8.55 | 178.33 | 177.78 | 177.06 | 177.75 | 161.25 | 184.33 (9/1) | 160.54 (6/3) | 263.22 (4/5/72) | 63.92 (17/12/74) |
| 14 | Motors and Distributors (25) | 125.04 | +0.3 | 19.78 | 6.17 | 7.13 | 124.62 | 125.52 | 125.51 | 124.86 | 109.63 | 127.05 (15/5) | 104.68 (2/3) | 170.59 (15/1/69) | 19.91 (6/1/75) |
| | CONSUMER GOODS | | | | | | | | | | | | | | |
| 21 | (NON-DURABLE) (175) | 199.56 | −0.2 | 16.07 | 5.87 | 8.44 | 199.98 | 202.59 | 202.86 | 202.26 | 167.56 | 207.45 (12/5) | 179.46 (2/3) | 226.08 (16/8/72) | 61.41 (13/12/74) |
| 22 | Breweries (14) | 226.50 | −1.2 | 15.06 | 5.98 | 9.55 | 229.19 | 233.08 | 234.50 | 234.72 | 176.72 | 241.57 (8/5) | 204.04 (27/2) | 281.87 (28/11/72) | 69.47 (13/12/74) |
| 23 | Wines and Spirits (6) | 251.92 | −0.3 | 16.06 | 5.72 | 9.45 | 252.70 | 258.76 | 258.95 | 259.98 | 188.73 | 265.10 (5/5) | 229.85 (2/3) | 265.10 (5/5/78) | 78.88 (13/12/74) |
| 24 | Entertainment, Catering (17) | 253.35 | −1.7 | 13.90 | 6.74 | 10.38 | 257.77 | 261.88 | 262.46 | 261.05 | 209.63 | 269.17 (6/1) | 219.62 (2/3) | 329.99 (12/12/72) | 54.83 (9/1/75) |
| 25 | Food Manufacturing (22) | 196.02 | +0.6 | 19.86 | 5.67 | 6.66 | 194.77 | 196.48 | 196.11 | 195.11 | 174.40 | 203.38 (6/1) | 175.37 (27/2) | 214.63 (21/10/77) | 59.67 (11/12/74) |
| 26 | Food Retailing (15) | 199.59 | +0.9 | 14.64 | 5.03 | 9.50 | 197.82 | 201.07 | 200.07 | 199.72 | 168.00 | 223.22 (6/1) | 176.53 (3/3) | 244.41 (27/10/77) | 54.25 (11/12/74) |
| 32 | Newspapers, Publishing (13) | 371.61 | — | 10.75 | 3.34 | 13.27 | 371.68 | 375.23 | 376.69 | 370.10 | 294.70 | 391.43 (17/5) | 269.59 (2/3) | 391.43 (17/5/78) | 55.08 (6/1/75) |
| 33 | Packaging and Paper (15) | 131.97 | −0.4 | 20.14 | 9.01 | 6.55 | 132.52 | 133.14 | 131.52 | 130.26 | 121.64 | 135.99 (6/1) | 119.11 (15/2) | 144.21 (14/9/77) | 43.46 (6/1/75) |
| 34 | Stores (39) | 176.60 | −0.3 | 11.93 | 4.61 | 12.30 | 177.14 | 180.12 | 180.57 | 179.65 | 145.27 | 197.95 (6/1) | 165.17 (2/3) | 204.39 (16/8/72) | 52.63 (6/1/75) |
| 35 | Textiles (25) | 178.93 | −0.6 | 17.42 | 7.73 | 7.55 | 180.04 | 181.69 | 181.63 | 180.76 | 168.42 | 191.90 (12/5) | 160.85 (2/3) | 235.72 (17/1/67) | 62.66 (11/12/74) |
| 36 | Tobaccos (3) | 251.21 | +0.6 | 22.00 | 7.45 | 5.40 | 249.81 | 251.39 | 253.46 | 255.44 | 215.34 | 261.18 (18/5) | 214.88 (15/2) | 339.16 (2/8/72) | 94.34 (13/6/62) |
| 37 | Toys and Games (6) | 106.88 | −0.6 | 19.03 | 5.84 | 6.42 | 107.55 | 107.38 | 107.21 | 107.18 | 99.12 | 108.64 (31/5) | 93.79 (27/2) | 135.72 (16/1/70) | 20.92 (6/1/75) |
| 41 | OTHER GROUPS (97) | 196.66 | −0.2 | 16.52 | 5.60 | 7.94 | 197.14 | 198.85 | 199.64 | 198.65 | 178.36 | 200.29 (1/6) | 173.08 (3/3) | 213.70 (14/9/77) | 58.63 (6/1/75) |
| 42 | Chemicals (19) | 281.68 | — | 17.70 | 6.20 | 7.67 | 281.55 | 284.69 | 285.99 | 283.72 | 249.24 | 286.40 (31/5) | 238.69 (2/3) | 295.10 (14/9/77) | 71.20 (1/12/74) |
| 43 | Pharmaceutical Products (7) | 255.73 | −0.3 | 11.58 | 4.01 | 10.79 | 256.60 | 258.65 | 259.38 | 258.94 | 0.00 | 262.96 (6/1) | 228.41 (3/3) | 262.96 (6/1/78) | 228.41 (3/3/78) |
| 44 | Office Equipment (6) | 133.28 | −0.2 | 17.98 | 4.87 | 6.58 | 133.60 | 135.81 | 137.11 | 134.66 | 99.18 | 139.21 (25/5) | 117.48 (3/3) | 246.06 (1/9/72) | 45.34 (2/1/75) |
| 45 | Shipping (10) | 430.28 | — | 19.45 | 7.32 | 6.26 | 430.20 | 431.75 | 442.23 | 439.08 | 507.46 | 483.01 (6/1) | 398.54 (17/4) | 539.68 (18/5/77) | 90.80 (29/6/62) |
| 46 | Miscellaneous (55) | 201.95 | −0.6 | 17.50 | 6.43 | 7.69 | 203.11 | 204.25 | 203.94 | 203.85 | 175.61 | 209.16 (6/1) | 178.47 (3/3) | 258.83 (2/5/72) | 60.39 (6/7/75) |
| 49 | INDUSTRIAL GROUP (495) | 208.75 | −0.2 | 16.63 | 5.72 | 8.17 | 209.07 | 211.26 | 211.58 | 210.72 | 178.83 | 212.76 (15/5) | 186.02 (2/3) | 222.12 (21/10/77) | 59.01 (13/12/74) |
| 51 | Oils (5) | 487.08 | −1.3 | 15.15 | 4.06 | 7.16 | 493.72 | 495.33 | 496.98 | 490.89 | 495.46 | 501.37 (17/5) | 417.98 (2/3) | 543.20 (15/9/77) | 87.23 (29/5/62) |
| 59 | 500 SHARE INDEX | 231.83 | −0.3 | 16.40 | 5.47 | 7.99 | 232.61 | 234.79 | 235.21 | 233.96 | 204.34 | 236.59 (15/5) | 205.42 (2/3) | 248.32 (14/9/77) | 63.49 (13/12/74) |
| 61 | FINANCIAL GROUP (100) | 161.20 | −0.8 | — | 5.80 | — | 162.44 | 164.36 | 164.79 | 163.91 | 136.26 | 178.96 (6/1) | 153.85 (27/2) | 241.41 (11/4/72) | 55.88 (13/12/74) |
| 62 | Banks (6) | 185.55 | −1.1 | 25.51 | 5.81 | 5.94 | 187.68 | 190.62 | 189.29 | 188.56 | 153.36 | 204.36 (23/1) | 171.58 (27/2) | 288.32 (20/7/72) | 62.44 (12/12/74) |
| 63 | Discount Houses (10) | 204.82 | +2.9 | — | 8.32 | — | 199.13 | 198.72 | 198.35 | 198.50 | 163.86 | 228.33 (4/1) | 185.20 (13/4) | 293.13 (2/5/72) | 81.40 (10/12/74) |
| 64 | Hire Purchase (5) | 140.14 | −0.1 | 13.96 | 5.65 | 10.60 | 140.22 | 141.34 | 140.60 | 140.60 | 127.76 | 170.55 (12/1) | 136.52 (17/4) | 433.74 (4/5/72) | 38.83 (11/12/74) |
| 65 | Insurance (Life) (10) | 133.75 | −0.8 | — | 6.81 | — | 134.87 | 137.49 | 137.89 | 137.18 | 107.02 | 151.39 (6/1) | 124.97 (17/4) | 194.46 (15/3/72) | 44.88 (2/1/75) |
| 66 | Insurance (Composite) (7) | 122.57 | −0.9 | — | 6.96 | — | 123.64 | 125.18 | 126.08 | 124.70 | 109.26 | 143.46 (6/1) | 120.25 (24/2) | 161.72 (6/10/77) | 43.96 (13/12/74) |
| 67 | Insurance Brokers (10) | 323.00 | −0.3 | 14.43 | 4.85 | 9.92 | 324.13 | 328.77 | 330.34 | 329.92 | 289.77 | 351.81 (18/5) | 301.20 (6/2) | 371.53 (15/9/77) | 65.86 (16/12/74) |
| 68 | Merchant Banks (14) | 80.20 | +0.1 | — | 6.08 | — | 80.10 | 81.09 | 81.63 | 81.63 | 68.47 | 85.22 (6/1) | 71.00 (27/2) | 278.57 (1/5/72) | 31.21 (7/1/75) |
| 69 | Property (31) | 232.36 | −1.0 | 3.08 | 3.18 | 58.91 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 70 | Miscellaneous (7) | 108.40 | +0.2 | 24.22 | 7.45 | 5.71 | 108.13 | 108.50 | 108.03 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 71 | Investment Trusts (50) | 208.71 | −0.1 | — | 4.71 | — | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 81 | Mining Finance (4) | 101.59 | −0.5 | 17.01 | 6.85 | 7.12 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 91 | Overseas Traders (19) | 309.91 | −0.5 | 16.72 | 6.78 | 7.32 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 99 | ALL-SHARE INDEX (673) | 213.57 | −0.4 | — | 5.54 | — | 214.43 | 216.43 | 216.71 | 215.54 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

### FIXED INTEREST PRICE INDICES

| | British Government | Fri. June 9 | Day's change % | xd adj. To-day | xd adj. 1978 to date |
|---|---|---|---|---|---|
| 1 | Under 5 years | 104.48 | +0.29 | — | 4.51 |
| 2 | 5-15 years | 114.78 | +0.76 | — | 4.54 |
| 3 | Over 15 years | 121.13 | +1.11 | — | 5.13 |
| 4 | Irredeemables | 124.99 | +1.23 | — | 6.30 |
| 5 | All stocks | 112.84 | +0.73 | — | 4.96 |

### FIXED INTEREST YIELDS

Br. Govt. Av. Gross Red.

| | | | Fri. June 9 | Thurs. June 8 | Year ago (approx.) | 1978 Highs | 1978 Lows |
|---|---|---|---|---|---|---|---|
| 1 | Low Coupons | 5 years | 8.85 | 8.91 | 7.58 | [illegible] | [illegible] |
| 2 | | 15 years | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 3 | | 25 years | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 4 | Medium Coupons | 5 years | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 5 | | 15 years | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 6 | | 25 years | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 7 | High Coupons | 5 years | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 8 | | 15 years | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 9 | | 25 years | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 10 | Irredeemables | | 11.74 | 11.87 | 10.37 | [illegible] | [illegible] |

| | | Friday June 9 Index No. | Yield % | Thur. June 8 | Wed. June 7 | Tues. June 6 | Mon. June 5 | Fri. June 2 | Thur. June 1 | Wed. May 31 | Year ago (approx.) | 1978 Highs | 1978 Lows | Since Compilation Highs | Since Compilation Lows |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 15 | 20-yr. Red. Deb. & Loans (15) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 16 | Investment Trust Prefs. (15) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 17 | Coml. and Indl. Prefs. (20) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

| Section or Group | Base Date | Base Value | Section or Group | Base Date | Base Value |
|---|---|---|---|---|---|
| Pharmaceutical Products | 30/12/77 | 261.77 | Miscellaneous Financial | [illegible] | [illegible] |
| Other Groups | 31/12/74 | 63.75 | Food Manufacturing | 29/12/67 | 114.13 |
| Overseas Traders | 31/12/74 | 100.00 | Food Retailing | 29/12/67 | 114.13 |
| Engineering Contractors | 31/12/71 | 153.84 | Insurance Brokers | 29/12/67 | 96.67 |
| Mechanical Engineering | 31/12/71 | 153.84 | Mining Finance | 29/12/67 | 100.00 |
| Wines and Spirits | 16/1/70 | 128.06 | All Other | 10/4/62 | 100.00 |
| Toys and Games | 16/1/70 | 135.72 | | | |
| Office Equipment | 16/1/70 | 128.20 | | | |
| Industrial Group | 31/12/70 | 128.20 | | | |

† Redemption yield. A new list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 13p, by post 22p. A fortnightly record of group and sub-section indices, dividend yields and earnings figures since 1962, with quarterly highs and lows of the indices, is obtainable from FT Business Enterprises, 10 Bolt Court, London, EC4, at £10 per copy. NAME CHANGE: (Building Materials) has changed its name to Circle Industries.

# INSURANCE, PROPERTY, BONDS

# AUTHORISED UNIT TRUSTS

# OFFSHORE AND OVERSEAS FUNDS



**Keyselex Mngt., Jersey Ltd.**
PO Box 98, St. Helier, Jersey. (Eng. 01-606 7070)

| | | | | |
|---|---|---|---|---|
| Fonselex | Frs1,376 | 1,518 | .. | 3.00 |
| Bondselex | Frs119.15 | 13.25 | .... | — |
| Keyselex Int'l | £6.23 | 7.03 | ...... | — |
| Keyselex Europe | £3.89 | 4.38 | +0.01 | 3.77 |
| Japan Gth. Fund | $US7.77 | 25.57 | | — |
| Keyselex Japan | £11.58 | 12.69 | +0.47 | — |
| Cent. Assets Cap. | £133.44 | | +0.02 | ..... |

**Warburg Invest. Mngt. Jrsy. Ltd.**
1, Charing Cross, St. Helier, Jsy. CI 0534 73741

| | | | | |
|---|---|---|---|---|
| CMF Ltd. May 25 | $US12.32 | 12.14 | .... | — |
| CMT Ltd. May 25 | £12.58 | 12.90 | ..... | — |
| Metals Tst. May 18 | £11.88 | 12.17 | ..... | — |
| TMT May 11 | $US10.24 | 10.50 | ..... | — |
| TMT Ltd. May 11 | £10.37 | 10.64 | .... | — |

**World Wide Growth Management**
10a, Boulevard Royal, Luxembourg.

| | | | |
|---|---|---|---|
| Worldwide Gth Fd | $US14.98 | +0.10 | — |

## NOTES

Prices do not include $ premium, except where indicated ‡, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b To-day's prices. c Yield based on offer price. d Estimated. g To-day's opening price. h Distribution free of U.K. taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♦ Net of tax on realised capital gains unless indicated by ♦. § Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision.



**CLIVE INVESTMENTS LIMITED**
1 Royal Exchange Ave., London EC3V 3LU. Tel.: 01-283 1101.
Index Guide as at 7th June, 1978 (Base 100 at 14.1.77)

| | |
|---|---|
| Clive Fixed Interest Income | 112.91 |
| Clive Fixed Interest Capital | 126.93 |

CORAL INDEX: Close 465-470

## INSURANCE BASE RATES

| | |
|---|---|
| †Property Growth | 9½% |
| †Vanbrugh Guaranteed | 9.50% |

† Address shown under Insurance and Property Bond Table.

# FT SHARE INFORMATION SERVICE

## BONDS & RAILS—Cont.

## **BRITISH FUNDS

### "Shorts" (Lives up to Five Years)

### Five to Fifteen Years

### Over Fifteen Years

### Undated

## **INTERNATIONAL BANK

## **CORPORATION LOANS

## COMMONWEALTH & AFRICAN LOANS

## LOANS

### Public Board and Ind.

### Financial

## FOREIGN BONDS & RAILS

| 1978 High | Low | Stock | Price £ | + or — | Div. % Gross | Red. Yield |
|---|---|---|---|---|---|---|
| 19½ | 17 | Antofagasta Rly | 19 | ... | — | — |
| 34 | 33 | Do 5pc Pref. | 33xd | ... | — | — |
| 98 | 98 | Chilean Mixed | 98 | .. | 3 | 13 10 |
| 415 | 350 | German Yng 4½pc | 405xd | | 4½ | — |
| 54 | 46 | Greek 7pc Ass. | 54 | | 3½ | 16.48 |
| 51 | 46 | Do 6pc 28 Stab Ass | 51 | ... | 6 | 16.00 |
| 44 | 40 | Do 4pc Mixed Ass | 43 | ... | 4 | 14 76 |
| 55 | 42 | Hung '24 Ass | 55 | | 4½ | 5.00 |
| 77 | 67 | Ireland 6½pc '83-88 | 67xd | | | 12.80 |
| 88 | 84 | Ireland 7¾pc '81-83 | 86 | +1 | 7¾ | 12.02 |
| 91 | 79 | Do 9¾pc '91-96 | 80 | +½ | 9¾ | 13.00 |

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[illegible]

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[illegible]

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[illegible]

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[illegible]

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## TRUSTS, FINANCE, LAND

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[illegible]

## INV. TRUSTS—Continued

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[illegible]

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[illegible]

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### India and Bangladesh

[illegible]

### Sri Lanka

[illegible]

### Africa

[illegible]

## MINES

### CENTRAL RAND

[illegible]

### EASTERN RAND

[illegible]

### FAR WEST RAND

[illegible]

### O.F.S.

[illegible]

### FINANCE

[illegible]

### DIAMOND AND PLATINUM

[illegible]



## MINES—Continued

### CENTRAL AFRICAN

| 1978 High | Low | Stock | Price | + or − | Div. Net | Cvr | Yld Gr's |
|---|---|---|---|---|---|---|---|
| 210 | 155 | Falcon Rh.50c | 195 | ..... | Q50c | 1.3 | 21.9 |
| 24 | 15 | Rhod'n Corp. 16½p | 17 | ..... | 0.56 | 7.1 | 5.0 |
| 80 | 52 | Roan Cons. K4 | 70 | ..... | — | — | — |
| 175 | 122 | Tanganyika 50p | 162 | ..... | Q10.0 | ϕ | 6.4 |
| 90 | 78 | Do. Pref. 80p | 90 | ..... | Q9% | 16.4 | 8.0 |
| 41 | 32 | Wankie Col. Rh.1 | 37 | ..... | †Q7½c | 1.4 | 17.3 |
| 16½ | 10 | Zam Cpr. SBD0.24 | 15½ | ..... | — | — | — |

### AUSTRALIAN

| 1978 High | Low | Stock | Price | + or − | Div. Net | Cvr | Yld Gr's |
|---|---|---|---|---|---|---|---|
| 15 | 10 | Acmex 25c | 15 | ..... | — | — | — |
| 132 | 64 | Bougainville 50Toea | 126 | ..... | Q8c | 1.4 | 4.0 |
| 101 | 63 | BH South 50c | 99 | ..... | — | — | — |
| 245 | 148 | Conzinc Riotinto 50c | 230 | +2 | Q10c | 2.2 | 2.7 |
| 72 | 48 | G.M. Kalgoorlie $1 | 54 | ..... | — | — | — |
| 138 | 81 | Hampton Areas 5p | 131 | −1 | 1.45 | 4.1 | 1.7 |
| 40 | 10 | Metals Ex. 50c | 32 | +2 | — | — | — |
| 215 | 125 | MIM Hldgs. 50c | 210 | +3 | Q9c | 1.7 | 2.6 |
| 39 | 10 | Mount Lyell 25c | 39 | ..... | — | — | — |
| 6½ | 1½ | Newmetal 10c | 4 | −¼ | — | — | — |
| 130 | 79 | North B. Hill 50c | 130 | +2 | Q8c | 1.5 | 3.8 |
| 16 | 8½ | Nth. Kalgurli | 15½ | −½ | — | — | — |
| 164 | 117 | Oakbridge $A1 | 164 | +1 | †Q11c | 1.9 | 4.2 |
| 48 | 30 | Pacific Copper | 46 | ..... | — | — | — |
| £14 | 750 | Pancont'l 25c | £14 | ..... | — | — | — |
| 38 | 12 | Paringa M&Ex. 5p | 34 | −½ | — | — | — |
| 520 | 310 | Peko-Wallsend 50c | 520 | ..... | Q15c | 4.0 | 1.8 |
| 151 | 84 | Westn. Mining 50c | 148 | +7 | ‡Q6c | 1.4 | ‡ |
| 70 | 35 | Whim Creek 20c | 55 | ..... | — | — | — |

### TINS

| 1978 High | Low | Stock | Price | + or − | Div. Net | Cvr | Yld Gr's |
|---|---|---|---|---|---|---|---|
| 30 | 24 | Amal. Nigeria | 25 | ..... | +2.51 | 1.6 | 15.2 |
| 360 | 240 | Ayer Hitam SM1 | 350 | ..... | ‡Q167c | 0.9 | ‡ |
| 60 | 45 | Beralt Tin | 54 | ..... | 3.75 | 4.4 | 11.0 |
| 290 | 200 | Berjuntai SM1 | 280 | ..... | ‡Q110c | ϕ | ‡ |
| 145 | 111 | Geevor | 135 | ..... | h4.51 | 3.4 | 5.1 |
| 10 | 8½ | Gold & Base 12½p | 10 | ..... | — | — | — |
| 290 | 220 | Gopeng Cons. | 290 | ..... | 15.0 | 0.9 | 7.9 |
| 165 | 130 | Hongkong | 165 | ..... | — | — | — |
| 93 | 78 | Idris 10p | 88 | ..... | 12.0 | 1.6 | 21.8 |
| 11 | 10 | Jantar 12½p | 11 | ..... | — | — | — |
| 73 | 68 | Kamunting SM0.50 | 68 | ..... | ‡Q15.5c | 0.7 | 4.9 |
| 490 | 450 | Killinghall | 490 | ..... | Q125 | ϕ | 25.5 |
| 400 | 280 | Malay Dredging SM1 | 385 | ..... | †Q95c | 0.8 | 5.3 |
| 70 | 40 | ♦Pahang | 70 | ..... | ‡Q3.75c | 0.5 | ‡ |
| 62 | 50 | Pengkalen 10p | 60 | ..... | 6.5 | 1.3 | 16.7 |

[illegible]

### COPPER

[illegible]

### MISCELLANEOUS

| 1978 High | Low | Stock | Price | + or − | Div. Net | Cvr | Yld Gr's |
|---|---|---|---|---|---|---|---|
| 17 | 9 | Burma Mines 17½p | 15 | ..... | — | — | — |
| 300 | 220 | Cons. Murch. 10c | 225 | ..... | ‡Q30c | 2.6 | ‡ |
| 440 | 245 | Northgate C$1 | 435 | +15 | — | — | — |
| 234 | 164 | R.T.Z. | 230 | −1 | 9.5 | 2.8 | 6.3 |
| 49 | 30 | Sabina Inds. C$1 | 49 | +4 | — | — | — |
| £12 | 750 | Tara Expln. $1 | £11¼ | ..... | — | — | — |
| 45 | 43 | Tehidy Minerals 10p | 43 | ..... | 1.33 | ϕ | 4.7 |
| 173 | 120 | Yukon Cons. C$1 | 173 | ..... | Q7c | 2.9 | 1.9 |

## NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 34 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- △ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ¤ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✦ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. D Cover and P/E ratio exclude profits of U.K. aerospace subsidiaries. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1977-78. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Dividend and yield based on prospectus or other official estimates for 1977. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date. ‡‡ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: ex dividend; ex scrip issue; ex rights; ex all; ex capital distribution.

"Recent Issues" and "Rights" Page 22

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £400 per annum for each security

## REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

| | | |
|---|---|---|
| Albany Inv. 20p | 23 | ..... |
| Ash Spinning | 45 | ..... |
| Bertam | 22 | ..... |
| Bdg'wtr. Est. 50p | 270 | +2 |
| Clover Croft | 24 | +1 |
| Craig & Rose £1 | 450 | ..... |
| Dyson (R. A.) A. | 37 | ..... |
| Ellis & McHdy. | 62 | ..... |
| Evered | 18 | +1 |
| Fife Forge | 50 | ..... |
| Finlay Pkg. 5p | 23½ | +½ |
| Graig Ship. £1 | 154 | ..... |
| Higsons Brew | 80 | −2 |
| I.O.M. Stm. £1 | 150 | ..... |
| Holt (Jos.) 25p | 265 | ..... |
| N'thn. Goldsmith | 54 | ..... |
| Pearce (C. H.) | 158 | ..... |
| Peel Mills | 20 | ..... |
| Sheffield Brick | 45xd | ..... |
| Sheff. Refrshmt. | 52 | ..... |
| Sindall (Wm.) | 85 | ..... |

### IRISH

| | | |
|---|---|---|
| Conv. 9% '80/82 | £90⅝ | +¼ |
| Alliance Gas. | 73 | ..... |
| Arnott | 345 | −1 |
| Carroll (P.J.) | 92 | ..... |
| Clondalkin | 96 | ..... |
| Concrete Prods. | 135 | ..... |
| Heiton (Hldgs.) | 40 | ..... |
| Ins. Corp. | 148 | ..... |
| Irish Ropes | 132 | +2 |
| Jacob | 68 | ..... |
| Sunbeam | 33 | ..... |
| T.M.G. | 170 | ..... |
| Unidare | 90 | ..... |

## OPTIONS

### 3-month Call Rates

**Industrials**

| | |
|---|---|
| A. Brew | 6½ |
| A.P. Cement | 18 |
| B.S.R. | 9 |
| Babcock | 11 |
| Barclays Bank | 25 |
| Beecham | 35 |
| Boots Drug | 15 |
| Bowaters | 16 |
| B.A.T. | 24 |
| British Oxygen | 6 |
| Brown (J.) | 20 |
| Burton 'A' | 12 |
| Cadburys | 5 |
| Courtaulds | 10 |
| Debenhams | 8 |
| Distillers | 15 |
| Dunlop | 7 |
| Eagle Star | 11 |
| E.M.I. | 14 |
| Gen. Accident | 17 |
| Gen. Electric | 18 |
| Glaxo | 40 |
| Grand Met. | 9 |
| G.U.S. 'A' | 20 |
| Guardian | 18 |
| G.K.N. | 22 |
| Hawker Sidd. | 20 |
| House of Fraser | 12 |
| I.C.I. | 20 |
| "Imps" | 6 |
| I.C.L. | 20 |
| Inveresk | 8 |
| KCA | 3 |
| Ladbroke | 17 |
| Legal & Gen. | 14 |
| Lex Service | 7 |
| Lloyds Bank | 22 |
| "Lofs" | 4 |
| London Brick | 5 |
| Lonrho | 5 |
| Lucas Inds. | 25 |
| Lyons (J.) | 10 |
| "Mams" | 7 |
| Mrks. & Spncr | 10 |
| Midland Bank | 25 |
| N.E.I. | 12 |
| Nat. West. Bank | 22 |
| Do. Warrants | 10 |
| P & O Dfd. | 8 |
| Plessey | 8 |
| R.H.M. | 5 |
| Rank Org. 'A' | 18 |
| Reed Intnl. | 12 |
| Spillers | 3 |
| Tesco | 4 |
| Thorn | 22 |
| Trust Houses | 15 |
| Tube Invest. | 30 |
| Unilever | 35 |
| Utd. Drapery | 7½ |
| Vickers | 15 |
| Woolworths | 5 |

**Property**

| | |
|---|---|
| Brit. Land | 3¼ |
| Cap. Counties | 4½ |
| E.P. | 5 |
| Intreuropean | 4 |
| Land Secs. | 16 |
| MEPC | 12 |
| Peachey | 8 |
| Samuel Props. | 9 |
| Town & City | 1¼ |

**Oils**

| | |
|---|---|
| Brit. Petroleum | 45 |
| Burmah Oil | 5 |
| Charterhall | 3 |
| Shell | 28 |
| Ultramar | 20 |

**Mines**

| | |
|---|---|
| Charter Cons. | 12 |
| Cons. Gold | 14 |
| Rio T. Zinc | 16 |

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES
Saturday June 10 1978



MAN OF THE WEEK

# A hero to the taxpayer

BY JUREK MARTIN

IF HOWARD JARVIS had quietly retired from public life a year ago after the latest of a long line in electoral failures his departure would have attracted little attention. Keen students of Californian politics would have written him off as just another of those colourful but nutty right wingers which Orange County, south of Los Angeles, seems to produce in abundance but who generally merit barely parenthetic reference in the local history book.

Howard Jarvis
*The Moses of the middle classes*

Today, at the age of 75, Howard Jarvis—whose only formal job is as unpaid director of an Association representing Los Angeles apartment owners—is being accorded a different reputation. His adoring supporters call him "the Moses of the middle classes" and, even more confusingly "the Joan of Arc of John Doe public." Heavyweight political commentators are soberly wondering if he is going to turn out to be a second George Wallace the populist voice of the neglected (and rich) who succeeds in sending big Government "a message" that it cannot ignore. Others feel he may have forever damned the once bright career of Jerry Brown, the state Governor, who can no longer take for granted his re-election in November. Invitations are pouring into his office from all over the country for him to speak as the new Messiah of the national taxpayers' rebellion.

His achievement in the course of the past year has been nothing less than staggering. With a display of energy, remarkable for a man of his age he almost single-handedly created a Californian taxpayers' revolt, which culminated on Tuesday in a state-wide referendum in which, by 2-1 majority citizens of the state voted for a 60 per cent cut in their property taxes and severe limitations on any further increases.

When Jarvis began gathering the 1.5m signatures needed to get a petition on the Californian ballot last year, few took him seriously. It was true that Californians are among the most highly taxed in the nation, but, after all, prosperity was returning to the state after the 1974-75 recession. And most of those still disadvantaged, (unemployment here at nearly 8 per cent is well above the national average) simply do not own houses.

## Wisdom

The California referendum process has a record of throwing up emotionally charged issues but an equal habit of the electorate rejecting the more impractical of them. Since the Governor, the Bank of America, the teachers and public services unions and the leaders of the many minority groups were all saying that essential public services would have to be drastically curtailed if the Jarvis amendment were passed, the suspicion as little as a month ago was that conventional wisdom would prevail.

But tireless personal campaigning, and some timely windfalls handed by the opposition—including notices of sharply higher property taxes in the Los Angeles area just weeks before the election—created precisely that groundswell of support he was looking for. Cutting home owner taxes did not mean lower public services, Jarvis trumpeted, and in any case the welfare rolls as everyone knew, were stuffed with cheaters "Tax, tax, tax means spend, spend, spend" he proclaimed, and even Jerry Brown who as Governor, has hardly been a big spender, was lumped in with all the other profligates.

Howard Jarvis also became a media darling in a media conscious state. His pithy one liners make good radio and television. He debated the League of Women Voters and described them as "a bunch of nosey broads who front for the big spenders."

He seems to have taken this late blooming fame in his stride. A burly Mormon with a predilection for large cigars, vodka and a singularly foul soft drink called Cranapple juice he cannot wait to preach his message beyond the boundaries of California. It is a simple, if one-dimensional litany. As Howard Jarvis puts it: "The greatest human right is the right to own property."

# Israel hits guerrilla base in Lebanon

BY IHSAN HIJAZI

BEIRUT, June 9.

FIVE GUERRILLAS were killed in an Israeli raid early today on a Palestinian sea base about 35 miles south of Beirut. The Palestinians said nine Lebanese civilians also died.

The target of the attack was Aqbiyeh on the outskirts of the coastal town of Sarafand half way between the ports of Sidon and Tyre.

The Palestinians put the number of Israeli casualties at eight killed and many more wounded. Villagers said helicopters spent a great deal of time picking up casualties from the scene of the fighting.

The raid took place about 10 miles north of the United Nations positions in southern Lebanon and four miles from the nearest checkpoint manned by Syrian troops of the Arab peace keeping force. The Syrians were not involved in the fighting.

The base attacked is believed to be occupied by several different guerrilla groups, especially Fatah and the more militant Popular Front for the Liberation of Palestine.

David Lennon adds from Tel Aviv: According to the Israeli Army, a commando force attacked and destroyed a Fatah naval base at Dahar el Burj, 10 kilometres south of Sidon in Lebanon.

Seven Palestinians and two Israelis were killed in the operation.

The army said the raid from the sea was launched after information had been received that Fatah was planning to launch an attack against Israel targets. Anthony McDermott adds: There is no direct connection between the Israeli commando raid on the Fatah naval base and the proposed Israeli withdrawal from south Lebanon on Tuesday.

Nevertheless, the raid is a clear hint that Israel will continue to carry out raids whenever it feels the need.

It is expected that the Israeli withdrawal will be total, although an intelligence network and perhaps some observation posts may be left behind.

However, it is likely that tension in the south will continue and that in these circumstances the inability of UNIFIL and the tiny national Lebanese army to cope effectively will bring closer the crucial decision the Syrians will have to make about moving their forces, which make up the greater part of the Arab deterrent force, down towards the Litani River.

Syria is being urged to move its troops towards the river in order to reduce the area from which Palestinians could operate.

There are three sets of circumstances which would induce Israel to take military action.

The first would be a continuation of Palestinian activity.

The second would be to carry out the Israeli undertaking to protect the villages of the Christians.

Thirdly, in the remote event of Syria unexpectedly crossing the Litani, the notional "red line" drawn by Israel as the limits of a Syrian advance, Israel might feel obliged to take some action.

# ICI may put off Tees project

BY KEVIN DONE, CHEMICALS CORRESPONDENT

IMPERIAL CHEMICAL Industries is considering postponement of some of the UK share of its £340m linked development plan on sites at Wilhelmshaven in northern Germany and Teesside.

It is understood that the company will decide in the next three to four weeks whether or not it should press ahead with the construction of an £80m vinyl chloride monomer (VCM) plant at Wilton, on Teesside. VCM is the raw material for the widely used plastic polyvinyl chloride (PVC).

Latest market studies carried out by the company are understood to suggest that demand will be insufficient to justify the building of the 150,000-tonnes-a-year plant for at least two years.

Site preparation work on the plant is already well advanced at Wilton and erection was due to begin later in the summer. It was planned to come on stream in mid-1980.

ICI is now calculating the alternative costs of postponing the contract at this advanced stage, against completing the plant but having it idle in the first months or years of its life.

ICI admitted yesterday: "The total programme has been and is being kept under constant review in the light of changing market conditions."

The company is pressing ahead meanwhile with plans for building a plant double the size of the Teesside unit at Wilhelmshaven

Any postponement of the Teesside plant would be an acute embarrassment for the company, which has already faced intense union opposition to its plans for investment in Germany.

This opposition could now be stepped up following industry reports yesterday that the company is considering construction of an ethylene plant at Wilhelmshaven as part of its development of the site.

Both the UK Government and the chemical industry trades unions have been pressing the chemicals industry hard to invest in more ethylene capacity in the UK based on the availability of North Sea feedstocks.

An ethylene plant is at the heart of a modern petrochemicals complex, and normally leads on to the development of a wide range of downstream-related plants. Any plans for ICI, the UK's largest company, to site such a plant in Germany is certain to provoke fierce opposition.

ICI is currently planning to spend £200m at Wilhelmshaven in the first phase of its production of chlorine and related products. It is thought that any future ethylene plant would be unlikely to follow for some time, but it could figure in a subsequent development phase as a logical part of this product strategy.

ICI refused to confirm the industry reports yesterday, but said that no proposals for such a cracker had been submitted within the company.

# EEC plan for steel cuts agreed

By Guy de Jonquieres, Common Market Correspondent

BRUSSELS, June 9.

EUROPEAN steel producers today approved in principle a proposal by the EEC Commission for a voluntary cut in their crude steel production to 29m tonnes during the third quarter this year. The Commission estimates that actual output in the current quarter could reach 36m tonnes.

The Commission has no powers to enforce the planned production target, however, and it remains to be seen whether the producers will adhere to it.

The EEC's indicative programme for the present quarter, which called for total output to be limited to 31.9m tonnes, has been widely flouted despite its being approved by the producers.

The third quarter programme, which was endorsed by the consultative committee of the Coal and Steel Community today, requires a particularly steep reduction by the West German producers, whose output would be restricted to just under 9m tonnes, compared with almost 10m set as the objective for this quarter.

## Persuaded

Earlier this week they were reported to be pressing for a higher figure, on the ground that the German system of staggering summer holidays means that domestic demand remains firmer than in other EEC countries, where a good number of manufacturing firms close down in July or August.

According to EEC officials, Viscount Etienne Davignon, the industry commissioner, has been in touch privately with leaders of the German steel industry in the past few days and appears to have persuaded them not to resist his proposals.

Britain gets off relatively lightly with a production target of 4.9m tonnes, compared with 5.2m in the current indicative programme. France and Italy are called on to accept reductions of about 500,000 tonnes each to 5m and 4.9m tonnes respectively.

# 'Irregularities' in Burmah deals

BY MARGARET REID

A NUMBER of irregularities have been revealed in transactions of Burmah Oil's tanker company before the group's financial crisis at the end of 1974, Sir Alastair Down, the chairman, said at Burmah's annual meeting in Glasgow yesterday.

He told shareholders that Mr. Elias Kulukundis, the Greek shipping manager who headed Burmah Oil Tankers until January 2 1975, had agreed to repay the company more than $200,000 (£110,000) and had already paid $66,000.

Mr. Kulukundis had promised to help unravel other deals.

Sir Alastair said that though errors had undoubtedly been made, "none of our researches have led to even a suggestion that any member of the previous Board was in any way dishonest in the discharge of his duties."

The present Board was unanimous that no action should be taken against members of the previous Board.

Sir Alastair was reporting to shareholders on an inquiry by a committee of the new Board into the controversial events preceding the crisis at the end of 1974, which led the Bank of England to step in with support and buy Burmah's 20 per cent stake in British Petroleum.

The BP shares are now worth some £500m more than the price the Bank paid in the depressed market conditions of early 1975. Burmah is suing the Bank for return of the shares at their original sale price plus dividends.

Sir Alastair struck a critical note in referring to Burmah's former managing director, Mr. Nicky Williams, who resigned at the beginning of 1975, and to the old Board's inadequacy of control.

"It seems that the previous Board allowed Mr. Williams to be more occupied with plans for expansion and acquisitions than with consolidation," he said, "and did not react sufficiently quickly and emphatically to the dangerous situation which was developing during 1974.

"Too little was done too late largely because the previous Board failed to ensure that it had sufficient information on which to base its strategy.

"Faced with a managing director of forceful personality who was over-optimistic, in all the circumstances they failed to exercise the necessary control."

Sir Alastair had hoped that his statement about the pre-crisis events would lead the Burmah Shareholders' Action Group to withdraw a resolution calling on the Board to disclose documents about Burmah's renegotiation of $420m loans late in 1974.

The Action Group believes these loans, taken to finance purchase of the US Signal Oil business a year earlier, could be relevant to Burmah's case against the Bank of England.

Sir Alastair, on the Board's behalf, opposed the resolution as not in the company's interests.

Mr. John Rankin, QC, had earlier argued at a meeting of the Action Group, of which he is president, that the resolution was "designed to take the lid off a can that has been closed too long."

It was disclosed during the meeting that the Action Group had obtained proxies from some 20,300 of the 134,000 shareholders, about twice the 10,000 proxies given to the Board. However, the Board's proxies represented far more shares, some 31m, against 12½m supporting the Action Group.

Sir Alastair, who took over the chair after the crisis broke and now heads a largely new Board, responded to considerable pressure from the floor by briefly considering an adjournment of the meeting to another date for later discussion of his new statement, relevant to the Action Group's resolution.

The Action Group claimed that this would be right, as the chairman's statement had revealed facts not known when shareholders gave their proxies.

However, after a Board discussion in the lunch break, Sir Alastair said he could not agree to an adjournment, and urged the Action Group to withdraw its resolution in the light of his statement.

After more argument, the Action Group insisted that its resolution be put. A show of hands appeared to support it rather than the Board. A poll was then called which, it was a foregone conclusion in view of the proxies held, would support the Board.

In his statement on events before the crisis, Sir Alastair said his committee had dwelt on why "such substantial and substantially uncovered commitments had been permitted to develop on the tanker side.

"Putting it simply, it appears that the managing director, Mr. N. J. D. Williams, was both over-ambitious in his plans and over-confident in Mr. Kulukundis' abilities as chief executive of Tanker, which had in a very short space of time become in financial terms the company's most important subsidiary.

"These factors were made more serious by the previous Board's failure to ensure that it had such information about Tankers as might have enabled it to appreciate at a sufficiently early date the losses that the division would in all probability sustain in 1974."

Also on the Tankers problem, Sir Alistair, said, having referred to a number of irregularities having been revealed: "The company have been advised as to the rights available to it concerning such irregularities and have had a number of discussions with Mr. Kulukundis concerning these.

"As a result, in October, 1977, Mr. Kulukundis entered into a form of agreement with the company relating to a number of specific transactions. In this agreement, he has agreed to repay to the company a sum in excess of $200,000.

"In addition, he has undertaken to take steps designed to assist in unravelling other transactions. There are certain other matters in respect of which arrangements are in hand to seek further recovery, where appropriate.

"Furthermore, the company has reserved its rights against Mr. Kulukundis and the situation will be kept under review."

In New York Mr. Kulukundis acknowledged that he was repaying $200,000 to Burmah in a series of instalments.

"The irregularities referred to by Sir Alastair Down were not my direct responsibility," he said.

"The former Burmah management overstated the Tanker company's profits in 1972 by around $2m," claimed Mr. Kulukundis.

He said his repayment represented the 10 per cent of the company's profits which had been overstated, but which he was paid under the profit-sharing contract he had with Burmah.

Mr. Kulukundis said he knew of no other "irregularities" dating from his term as head of Burmah Tankers.

# Weather

UK TODAY

Some rain in the North.

London, E. Anglia, Midlands, S. and N. England, Wales, Channel Is.

Mainly dry with sunny intervals. Max. 17C (63F).

Lakes, Isle of Man, Scotland, N. Ireland

Cloudy, Showers. Max. 15C (59F).

Outlook: Mostly dry

Pollen count in London yesterday: 93 (high).

BUSINESS CENTRES

| | | Y'day Mid-day °C | °F | | | Y'day Mid-day °C | °F |
|---|---|---|---|---|---|---|---|
| Amstrdm. | S | 15 | 59 | London | F | 18 | 64 |
| Athens | S | 27 | 81 | Luxembrg. | C | 17 | 63 |
| Bahrain | S | 36 | 97 | Madrid | F | 23 | 73 |
| Barcelona | S | 25 | 77 | Manchstr. | C | 12 | 54 |
| Beirut | S | 24 | 75 | Melbourne | F | 13 | 55 |
| Belfast | C | 12 | 54 | Milan | S | 27 | 81 |
| Belgrade | F | 25 | 77 | Montreal | C | 15 | 59 |
| Berlin | F | 19 | 66 | Moscow | C | 19 | 66 |
| Birmghm. | C | 14 | 57 | Munich | F | 22 | 72 |
| Bristol | F | 17 | 63 | Newcastle | C | 13 | 55 |
| Brussels | C | 16 | 61 | New York | Fg | 26 | 79 |
| Budapest | F | 24 | 75 | Oslo | F | 18 | 64 |
| B. Aires | S | 13 | 55 | Paris | F | 19 | 66 |
| Cairo | S | 32 | 90 | Perth | C | 14 | 57 |
| Cardiff | S | 16 | 61 | Prague | C | 19 | 66 |
| Chicago | S | 20 | 68 | Reykjavik | C | 7 | 45 |
| Cologne | F | 19 | 66 | Rio de J'o | C | 26 | 79 |
| Copnhagn. | S | 16 | 61 | Rome | S | 30 | 86 |
| Dublin | C | 12 | 54 | Singapore | R | 31 | 88 |
| Edinburgh | C | 12 | 54 | Stockholm | R | 15 | 59 |
| Frankfurt | R | 18 | 64 | Strasbrg. | C | 23 | 73 |
| Geneva | S | 24 | 75 | Sydney | F | 13 | 55 |
| Glasgow | C | 11 | 52 | Tokyo | C | 26 | 79 |
| Helsinki | S | 18 | 64 | Toronto | S | 19 | 66 |
| H. Kong | S | 30 | 86 | Vienna | S | 23 | 73 |
| Jo'burg | S | 26 | 79 | Warsaw | F | 20 | 68 |
| Lisbon | C | 18 | 64 | Zurich | S | 22 | 72 |

HOLIDAY RESORTS

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Ajaccio | S | 24 | 75 | Istanbul | S | 22 | 72 |
| Biarritz | C | 20 | 68 | Jersey | Fg | 13 | 55 |
| Blackpool | C | 12 | 54 | Majorca | S | 30 | 86 |
| Bordeaux | S | 25 | 77 | Malaga | F | 18 | 64 |
| Casblnca. | F | 22 | 72 | Malta | S | 28 | 82 |
| Cape Tn. | C | 23 | 73 | Nairobi | C | 21 | 70 |
| Corfu | F | 27 | 81 | Naples | S | 26 | 79 |
| Dubrovnik | S | 25 | 77 | Nice | S | 24 | 75 |
| Faro | S | 20 | 68 | Nicosia | S | 24 | 75 |
| Florence | S | 28 | 82 | Rhodes | S | 27 | 81 |
| Gibraltar | R | 18 | 64 | Tangier | C | 19 | 66 |
| Guernsey | R | 14 | 57 | Tunis | S | 31 | 88 |
| Innsbruck | S | 25 | 77 | Valencia | F | 24 | 75 |
| Inverness | C | 11 | 52 | Venice | S | 26 | 79 |
| Is. of Man | C | 12 | 54 | | | | |

S—Sunny. C—Cloudy. F—Fair. R—Rain. Fg—Fog.

Continued from Page 1

## Bank base rates

the broadly defined money supply, in the months to mid-August. It is possible that the money stock could even decline slightly.

A major influence will be the response to the new £1bn ultra-long tap stock which is being offered next Thursday. The market reception last night was favourable and existing long-dated stocks, which had risen by 1¼, moved higher after hours.

Only £15 per £100 of the new stock has to be subscribed on application, which is likely to attract money from those speculating on a fall in interest rates.

The new stock is the first to be issued with a maturity date of more than 40 years ahead since 1972. It is specifically intended for investors, notably pension funds, requiring such long-dated issues. The later calls on the new stock, issued at £96 per £100, are £30 on June 27 and the balance on July 14.

● The Government continued to be attacked yesterday for its decision to raise the employers' National Insurance surcharge by 2½ percentage points. Sir John Methven, director-general of the CBI, said that the move would reduce UK competitiveness in world markets and worsen the balance of payments by up to £300m a year. The surcharge was "virtually a subsidy to the Germans and Japanese."

THE LEX COLUMN

# A tap to set them all dancing

Mortgage rates and overdraft costs are going up but the gilt-edged market could not care less yesterday. On Monday the FT Government Securities Index had hit yet another 1978 low point and few investors could have dared to hope that the authorities would go to such extremes to please the gilt-edged market, as they did three days later.

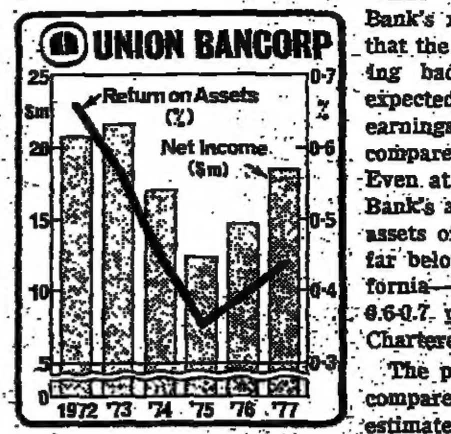
Thursday's package is a gem as far as gilts are concerned. Interest rates at last seem to have found a ceiling with Minimum Lending Rate at 10 per cent (against 6½ per cent on the eve of the Budget in mid-April), there is also the introduction of a corset which will severely pinch the banks, and a healthy reduction in the borrowing requirement. What more could the gilt-edged market wish for? A really long tap. Hey presto, the authorities yesterday unveiled a £1bn. Exchequer 12 per cent 2013/17—£15 paid.

After the earlier false starts the Government obviously felt that it had to pull out all the stops this time, and the immediate reaction of the gilt-edged market is that prices can only go up. The long tap, Exchequer 12 per cent 1998, was exhausted immediately the market opened. Prices of long dated stock rose by 1¼ and after hours they were another ½ point firmer on news of the new long tap. Short dated stocks were not quite as buoyant but the Government Broker supplied the short tap, Exchequer 9¾ per cent 1982 "A," and it seems very likely that it will run out at the beginning of next week.

All of a sudden the gilt-edged market can get the Budget arithmetic to add up again. Only last week investors were bemoaning the dearth of official funding. Now, in the space of a couple of days the Government Broker has sold around £1bn. of stock and, provided the new long tap is oversubscribed (and there looks to be a good chance unless next week's trade figures are terrible), the authorities will have tied up well over £2bn of gilts in the first quarter of the financial year. This should do wonders for the money supply and the £5bn-£6bn funding target this year no longer seems such an insurmountable obstacle.

Equities were overshadowed by all the fun in the gilts market and the immediate fear is that now that the institutions are piling back into fixed rate stock, equities will suffer. They may marginally in the short term, but interest rates have risen by over 50 per cent since the Budget and the FT Ordinary share index has hardly budged.

**Index fell 2.4 to 466.9**




## U.S. bank bid

Standard Chartered Bank's Californian venture is another example of a British bank using American bank money to buy an American bank. The fact that the terms of such deals remain attractive reflects the impotence of the U.S. money-centre banks to follow suit. They, too, would like to buy networks of deposit-taking branches in prosperous California, but U.S. Banking and Monopoly law make it impossible.

On the face of it Standard Chartered is paying a stiff price for Union Bank of California. The total outlay of £204m compares with Standard Chartered's own market capitalisation of £280m—though the payment is in cash not shares—while Union Bank's pretax profits are about one fifth of those of the purchaser.

The British bank is paying 19.5 times Union Bank's earnings in 1977. This compares favourably with the 36 times earnings that National Westminster was willing to pay last month for its 75 per cent stake in the National Bank of North America. But it is still quite a premium on Union Bank's market rating before the deal of 8.5 times. It compares with Standard Chartered's own lowly rating in London of just 5.3 times the earnings of roughly 77p per share that can be expected for the year that ended in March.

But Standard Chartered Bank's management is satisfied that the potential is there. Falling bad debt provisions are expected to help Union Bank's earnings up to $25m in 1978, compared with $19m last year. Even at last year's level Union Bank's after tax return on total assets of 0.42 per cent was not far below the average for California—even if inferior to the 0.6-0.7 per cent that Standard Chartered normally achieves.

The purchase price of $372m compares with Union Bancorp's estimated net worth at completion of about $200m—a somewhat higher premium than that paid by Natwest. If Standard Chartered can borrow the money at around 9 per cent the after tax cost to the British bank will be around $16m per annum. Set against Union's expected earnings contribution of $25m this leaves a margin roughly sufficient to cover the first year's amortisation of the $170m in goodwill.

## Small savers

Yesterday's readjustment in rates has restored the pre-eminence of the building societies in the savings market. Products from the Department for National Savings, a target for the ire of banks and building societies over the past few months, are now well and truly outclassed. Failing another rise in rates next week to bring the local authorities into stronger competition, the probability is that the tide will swing strongly in the societies' favour again.

As for the big four clearing banks, the divergence between the seven-day rates now offered by Midland and Barclays on the one hand, and Lloyds and Natwest on the other, must present them with a conundrum almost as great as that which it offers to the would-be depositor. To go by experience that divergence will not be maintained for long, even if the effects of the "corset" distort the eagerness with which the big four bid for funds. But can it be entirely a coincidence that the two clearing banks which have widened the margin between base and deposit rates are the same two which have already put in applications to the Price Commission for an alteration in their charges structure?



Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd., Bracken House, Cannon Street, London EC4P 4BY.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